Chat Customer Service: Eight Steps to Success

Chat software offers unmatched potential for improving customer service and increasing revenue. Financial services, retail, telecom, and travel companies were early adopters of this technology. Now savvy businesses in all sectors are using chat-based service to attract, win, and keep customers.

As with other technology, chat tools deliver the promised pay-off only if you use them right. This paper describes an 8-step plan to help businesses use chat to maximize the value of interactions in all phases of the customer lifecycle.

Step 1. Know your playing field

Step 2. Create a roadmap

Step 3. Choose the right solution

Step 4. Start small, and start smart

Step 5. Set up your agents for success

Step 6. Watch closely and carefully

Step 7. Measure, refine, and remeasure

Step 8. Communicate

Step 1: Know Your Playing Field

Research can make or break your project. Obvious as it may seem, this crucial step is often either unknown to businesses or skipped in the rush to deploy. This step becomes even more important in the context of chat initiatives, because a critical goal for most such efforts is to provide differentiated service. To set new standards, you need to know:

- Current and emerging trends
- What your competition is doing
- What your customers want

Smart research is a uniquely enabling factor. Not only does it help you define requirements well, it also makes the rest of the deployment easier. You will find yourself constantly using insights gained at this stage.

Know Your Market

Be proactive. Harness the power of new technologies instead of playing "catch-up". The web is here to stay, and contact centers that have proactively embraced new web-based channels for interacting with customers are earning greater customer satisfaction at reduced costs.

Read about chat customer service trends and success stories. Keep in mind, though, that industry "best practices" may not always translate into best practices for your own operation.

Know Your Competition

You cannot beat the competition if you do not know it. Visit their websites to see if they offer chat-based service and to experience it first-hand. Collect details such as:

- How many of your competitors offer chat on their websites?
- Is the chat option freely available to all users? Or is it provided only on certain pages, or only to premium customers? Is it available only during business hours?
- Are you proactively offered the option to chat with an agent? If yes, is it when you have been on a page for a certain amount of time?
- How long is the wait time in the chat queue? Do they make any effort to engage waiting customers?
- How long do the chat sessions last?
- How "informed" do the agents appear? Do their responses have typos? Do they share files and use multimedia resources to help you?
- Was the chat transferred to another agent if needed?
- Are you offered help while filling forms or checking out your shopping cart?
- Are transcripts of the chat sessions sent to you in an email message?
- Does the chat software seem technically robust? Do sessions get disrupted for technical reasons?

This exercise also gives you the customer's perspective in a way. Note what makes you go "Wow!" and what is just annoying.

Know Your Customer

Customer centricity is particularly important in the context of chat initiatives. To be able to fully use the real-time nature and rich collaboration capabilities of this channel, make sure cost reduction is not your only priority. Instead of thinking of a chat as an expense, see it as a unique opportunity to delight a customer and a great chance to advise the customer about your solutions and upsell. Think win-win - what is good for your customer is good for you too (the importance of customer-centric metrics is addressed later in this paper).

Find out your customers' interaction channel preferences and the overall market segment you are targeting. For instance, studies show that chat usage is consistently low among customers over the age of 60, both female and male. Conduct a web survey to gain real insight about the interaction preferences of your customers - some email response-management solutions include good web survey capabilities.

It is also important to note language preferences. Does your contact center serve a global customer base? Do you need interaction tools with multilingual capabilities?

Step 2: Create a Roadmap

Businesses often jump into technology evaluation and selection even before they have decided on the business goals of an initiative or the metrics for success. If you do not know what you want out of an endeavor, your chances of success are remote. Clarity of purpose, shared goals, and customer-oriented metrics distinguish world-class contact centers. What is your organization's mission? Do your chat customer service goals match the company's business goals for the next 12 to 24 months?

A roadmap helps ensure that every purchase fits into the larger picture. In fact, businesses can no longer afford to implement interaction-channel silos because customers expect to move from one channel to another transparently, often in the course of the same interaction. Consider the most cost-effective way of providing consistent multichannel interactions - where resources such as customer information, interaction history, and knowledge are shared by all channels. Smart contact centers begin with a roadmap and then add channels and tools one by one, according to plan - building on the success of rapid, incremental enhancements.

Evaluate your existing resources, identify gaps, and prioritize needs. Make sure that every tool you invest in works with the other tools that you have and those that you plan to buy. Document and review your multichannel process for interaction management. Even if you decide not to make sweeping changes in your contact center processes, you will get a sense of the gaps. Then create a phased plan, prioritized by return on investment (ROI), risk, and team capabilities. A staged implementation is prudent and increases the odds of success.

Step 3: Choose the Right Solution

Not all chat software is created equal. Consider only proven solutions trusted and used by companies known for service excellence. Look for:

- Flexible and proven deployment options: Seek vendors that have a record of delivering mission-critical deployments both on site and on demand and also offer the ability to transparently migrate from one to the other.
- Ability to integrate with self-service, email, phone, and other interaction channels, as well as back-end data and content systems to implement a unified solution. Ask for out-of-the box integration with contact center and business systems.
- A robust workflow engine: You want a workflow engine that facilitates trackable collaboration with other people, teams, and departments for responsive service and service-level agreement (SLA) management.
- Common case and knowledge management infrastructure for all channels: Agents should get access to complete customer interaction history. The knowledge base of common responses should be easy to create, use, and maintain.
- An agent workspace that allows multiple simultaneous chats: Such a workspace makes the economics of chat interactions even more compelling.
- Ability to share files with and push webpages to customers.
- Proactive chat facility (if it fits your philosophy of interacting with customers).
- Ability to send the customer an email message with the chat transcript along with links to information shared in the session, and the ability to store the transcript in the customer interaction history.
- A comprehensive set of monitoring and reporting tools.
- Ability to handle multilingual content, if you interact with customers in multiple languages.

Avoid getting stuck with an unscalable application - there are many of those in the market. No chat service is better than an unreliable and error-prone experience. Offering e-service that does not work will guarantee customer defections.

Step 4: Start Small, and Start Smart

It is a good idea to start with a limited rollout, and expand as you resolve the problems and train your agents with the chat software. Identify easy-to-implement options that are cost-effective.

You want to provide the best service to your best customers. Some companies offer chat as a premium service option available only to their most valuable customers (depending on how they define "value") while nudging other customers to use channels such as self-service.

You could consider placing the chat button only in specific places at first, best behind a login-restricted area. If you put it immediately on the first page or all over your website, you might get more chat requests than agents can handle at first. It would be even worse if you did not design and scale your infrastructure to deal with the volume and the service fails. This type of experience frustrates your customer and your agents.

Also, avoid forcing customers to download or install software. Downloads scare customers away, especially now with the dangers of new viruses and worms.

Step 5: Set Up Your Agents for Success

In real-time interaction tools such as chats, agent effectiveness and productivity are important concerns. Real-time written interactions, often as part of more than one session at a time, make unique demands on agents. The ability to multitask is very important. Here are some other guidelines:

- Blend with care: If you plan to blend channels and have agents answer phone calls as well as live chat requests, integrate with your computer-telephony-integration (CTI) system and automatic call distributor (ACD) to extend the phone-routing logic to collaboration channels. If your agents answer chat and phone requests, do not use the multichat feature; instead ask them to work on email messages or faxes during idle times.

- Allow transfers and conferences: Getting the right agent to handle the chat is important. Offer transfer and conferencing capabilities during chat sessions to ensure that the customer's query is resolved efficiently. Supervisors and experts should be able to whisper information to agents during chat sessions.

- Define a backup activity for agents: As you might do in a phone call center, provide a backup activity for idle time, such as replying to email messages. Of course, you should train agents on using the email tool before deploying them for the task.

- Use multichat, but only up to a point: Experience from our customers shows that productivity increases and cost advantages over traditional phone support become more compelling if an agent handles two or more sessions simultaneously. The time lag between typing, sending, and receiving messages allows agents to effectively conduct multiple sessions simultaneously. Five seems to be the limit and three a best practice.

- Support agents with knowledge: A good and easily accessible knowledge base can significantly reduce both training and response times. New hires, with the help of the knowledge base, become effective immediately. Encourage agents to contribute their favorite responses to the knowledge base. Set up a simple approval workflow to make contributed responses available to other agents. Spell check is essential, as is a capability to prevent agents from typing certain words. The ability to bookmark pages on your website is also useful.

- Deflect long-lived, complex interactions to the email channel: You do not want agents to be stuck in protracted and inefficient chat sessions.

Step 6: Watch Closely and Carefully

Monitoring is critical for all real-time interaction channels. In fact, do not deploy until you have tested the volume and quality monitoring features of your solution. Here are some tips:

- Make sure your solution has good load-balancing capabilities.

- Provide backup resources for peak times; for example, provide an overflow chat queue.

- Temporarily divert customers to another channel if customer wait times for chat are too high. Encourage customers to first try self-service or email messaging before chatting.

- Restrict chat to premium customers instead of making customers wait. The memory of a poor customer experience is difficult to erase.

- Get supervisors to silently monitor chats while they are in progress. Also send them chat transcripts by email for evaluation.

Step 7: Measure, Refine, and Remeasure

Treat chat like any other support channel: Set goals, define metrics, track them, and report on them. Contact centers tend to trip on false metrics by blindly following industry "best practices". For instance, average chat handle time is a common metric for contact center efficiency. However, research has shown that pushing agents to reduce average handle time often makes them ignore valuable cross-sell and upsell opportunities. You should:

- Reinforce customer centricity with customer-centric metrics.

- Choose metrics that balance each other. No single metric can completely capture the intent of the business. For example, remember to measure customer satisfaction as you monitor chat volume.

- Make sure you are talking to your customers. Surveys and feedback tools should be part of every service initiative.

- Refine chat capabilities based on reports and customer feedback. Be sure to compare new results with the older ones to see how effective the changes were.

Step 8: Communicate

The success of any chat service on your website depends on how well you market it to your customers. Test the capability initially by offering it to a small segment of your customers on high-value sections of your website. Typically, e-businesses will begin by putting chat assistance in the checkout area of their sites.

After you resolve the concerns in the chat service, you should aggressively market the new service channel to increase sales conversion on your website. A differentiated website experience is one of the most important factors in online customer loyalty. Some tips follow:

- Promote chat as an "in-band" service capability on your website; position your offering as more customer-friendly than your competition's. Customers love the idea of getting help as they browse. They do not want to pick up the phone unless they have to. Nor are they keen on searching and browsing a site to find answers when they are ready to check out. Chat service, when done right, has a measurable positive effect on shopping cart abandonment rates.

- Include a live help link in outgoing email letters and promotional offers.

- Encourage customers to use chat instead of the phone channel for faster service during peak traffic. Multichat would typically be less expensive than phone calls for your business. Use interactive-voice-response (IVR) recordings to encourage customers to try the chat channel on your website when phone hold times increase beyond accepted SLA levels.

A Final Word

The potential of chat service is immense, both for the business and its customers. It is a unique channel that offers the savings of other web-based channels along with the richness of real-time interaction channels. It can transform a quiet window-shopping experience on the web to an interactive, memorable one.

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