



Internet Special Report

Can We Chat About Web Chat?

Why your call center absolutely, positively might need Web chat.

Did you realize that your Web site is considered antiquated if it doesn't have Web chat? Did you know that customers will desert your business if you don't offer it?

Hold on! That's not quite true, yet—certainly not for all businesses. Perhaps some day it will be, but today, using Web chat should be carefully considered. See below for a few examples of companies that use Web chat, and others that don't.

All of these companies are icons in their markets. So how do you know if your Web site and contact center should have Web chat? Perhaps you should take a look at the benefits as well as potential pitfalls.

Just Like Instant Messaging

To your customers, Web chat is similar to instant messaging but requires no user software. That means all Web surfers can use it. There's a small text window into which messages are typed and received back in similar fashion.

Since it's typed text, some executives categorize it with e-mails, and there are some similarities. The same staff may be trained to handle both because each requires good writers and spellers. As on the phone, reps must never over-promise (text-chat promises are recorded in writing).

Dr. Jon Anton of Purdue University's Benchmark Portal says to "expect a 10-to-one ratio of e-mail messages to live text messages." Unlike e-mail, training for chat must stress short sentences and letting the customer know you're there. Most importantly, there's a huge work and traffic flow difference between text chat and e-mail. We'll look at that in detail. First, let's begin where all marketers begin—with consumer demand.

Consumer Demand

A key advantage of Web chat is that it makes it easier for some to do business with your company. Angie Rundle, supervisor of Internet sales at Lands' End—an early adopter of chat (1999)—points out "the value to the customer is having help readily available to them—not having to log off their PC and call." She notes that the majority of households still don't have two phone lines or a broadband connection.

Susan Helscher, call center director at gift Web site Red Envelope, observes that customers tend to use Web chat when "they really are in need of an urgent or quick response. We see a spike at holiday time, not just because of volume but because of that urgency."

However, maintaining a high service level often is the pivotal issue on which the decision to chat, or not to chat, is based; and that ultimately is tied to work and traffic flow.

Work and Traffic Flow

Web chats must be handled as quickly as incoming phone calls. Lands' End has the same service level on the Web as it does with its inbound calls, according to Rundle, which is "86 to 90 percent before 20 seconds." With a Web chat, your customer or prospect sent you a message and is awaiting your response. If no one is available for several minutes, you've just created a very negative customer impression. These are perishable opportunities that spoil within seconds—just like incoming phone calls.

This may be a reason so many companies don't yet offer Web chat. Most want to be sure they can deliver good service in another high-priority contact channel. Stumps, a cataloger and supplier of party goods based in South Whitley, IN, has been evaluating the channel.

Jaquie Downey, a manager in marketing at Stumps, tested several companies in related businesses that offer live chat and reported disappointing results. "[From] half of them, I never got responses. ... The other half were very responsive and were quick." Stumps returns e-mails within less than two hours, and based on its market testing is taking a wait-and-see approach to chat.

David Hochberg, spokesperson for cataloger Lillian Vernon, says that live chat "is something we plan to do in the future" but is more than a year away.

Red Envelope's Helscher has practical advice for those planning Web chat: "Make sure that you understand what you're unleashing in terms of skill sets and quality control."

At most firms, agents who handle chat also respond to e-mails and take inbound phone calls. This is true with Lands' End's separate Internet group. At Red Envelope the entire call center—22 representatives in September and 115 during holiday season—is fully blended.

Single Chats vs. Multi-Chats

Some firms allow a rep to carry on only one Web chat at a time. Others have a single rep conduct from two to three, four or even five simultaneously. This decision may involve the complexity of the questions received, the skill of your staff and the speed of service you wish to give.

Theoretically, a single rep handling four Web chats at a time could result in a smaller cost per contact than four reps handling four phone calls. This may have driven some companies to encourage Web chat.

But be careful with this calculation! Make sure it works for you and your customers. If handling too many simultaneous chats results in your company delivering poor service and losing customers—the revenue losses could be greater than the productivity benefit.

Also consider that due to lag time, Web chats take longer than phone calls. Anton conducted a contact center survey and found that "on average, the live chat sessions were 1.95 times the length of the phone-based contacts."

This may explain why contact centers handling chat often have their reps multitask with e-mail or phone calls. Rundle says that "the majority of [Lands' End's] agents, while engaged in a chat, can have an e-mail open and working on it. So that really helps to keep our operational costs down and bring it a little more in line with your typical phone call." Reps use a few templated messages for greetings and such, as well as personally writing most responses to questions.

Technology

Web chat technology usually is offered as part of a suite of contact management tools. It's available from the traditional ACD (automatic call distributor) and contact center companies such as Aspect, Avaya, Cisco, Nortel and others. Also, your existing vendor's product may be able to readily integrate distribution of Web chats and incoming phone calls.

Web chat also is available separately from some vendors, and a few offer connections to their competitors' products as well as their own. Finally, it's also available from vendors specializing in chat, such as LivePerson, an ASP type solution, that costs from \$99 to \$500 per seat per month, depending on features.

As with any important contact center technology purchase, define your specific needs in writing, and evaluate potential vendors by comparing their offerings to these needs. Without such a measuring stick, you may select a product that's not a good fit.

Focus on People

A prime rule of direct marketing, as well as effective operations management, is to pilot and test. If Stumps decides to offer chat on the Web, it may try it for a single brand and Web site first.

In contact centers, the prime rule is that it's all about human beings and communications—everything else is an enabling tool.

Rundle offers this advice to companies considering live text chat: "The people will make the difference." Noting that Lands' End's Web site changes every day, she says to "select people who are good multi-taskers, who can adapt to a great deal of change and embrace it. If you can find those people, it's smooth sailing."

Courtesy Of: [Target Marketing Magazine](#)