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To find out more about how text chat can benefit your business, call Chuck Stolfa at (415) 743-3908, or e-mail him at [cstolfa@digitas.com](mailto:cstolfa@digitas.com).

## Text Chat: Turning Talk into Action

*Chuck Stolfa, Vice President, e-Dialogue, Digitas*

Remember when dot coms were all the rage and new technology promised faster, cheaper, and better ways to communicate via the Web? Text chat – a tool allowing Web site visitors to communicate with a service or sales rep in real time via their keyboard – was a big part of the hype, but it never delivered on its promise. But text chat isn't dead. In fact, everything is now in place to bring text chat to the forefront of your organization's Web experience.

### It's About the Customer Experience

There's no doubt that the Internet continues to transform the consumer purchase process. Yet, has it transformed the psychology behind those purchases? At one time or another, we've all turned to a store clerk seeking validation for how a product looked, worked, fit, or was priced. While we knew the reply would not be objective or necessarily aligned with our personal preferences, we asked nonetheless. It is a basic human need to want validation and reassurance, and the value of text chat lies in its ability to fulfill this need.

Current research underscores the need for text chat. Consider these statistics:

- Look-to-book ratios are more disparate than desired. Boston Consulting Group estimates that 65% of online purchases are abandoned before completion.
- A recent Jupiter Communications study showed an overwhelming 90% of online shoppers want some form of human contact during the purchase process.
- A Market Facts survey found 43% of Internet users would shop more often if they received immediate responses to their online questions
- Call center volume has not decreased in proportion to the increase in online activity – shattering hopes of landslide cost savings and full automation.

Corporate responses to these findings are mixed. Some deploy text chat indiscriminately, without

appreciation for how the consumer thinks about the purchase or for how text chat will improve transaction economics. Others shy away from it because such a collaborative solution undermines the core economic promise of eCommerce to reduce or eliminate high-cost human sales support. Ultimately both responses will prove to be penny wise but pound foolish.

The companies that succeed will be those that meet the consumer need for immediate support without breaking the bank in the process. Successful applications will fuse seamlessly into user experience design rather than as a "bolt on," so that the purchase process becomes an extension of the consumer's purchase psyche – ergonomically designed, natural and conversational, with the right mix of self-service and collaborative interactions guided through a solid understanding of customer value.

### Is Text Chat Worth the Trouble?

Despite the human need for validation, consumers have not demanded text chat as part of the online experience. In its infancy, text chat earned a spotty reputation thanks to implementation miscues and clumsy, counter-intuitive user applications. Today, many consumers don't even know what text chat is (though most do know what Instant Messenger is), and those who have tried it likely had a poor first experience.

For companies that deploy chat, the promise of low costs resulting from the efficiency of a single agent conducting six to eight simultaneous conversations has never materialized. At \$6 per session, text chat is typically about 50% more expensive than a phone call (Jupiter, December, 2001). Most companies discover that two to three simultaneous sessions is more realistic, but not enough of an efficiency gain to offset the expense of implementing, staffing, and maintaining text chat. And since consumers don't seem to be demanding it, is it really worth the hassle?

This vicious circle of consumer apathy and economic disappointment is largely due to the way text chat has been sold to companies. Despite its billing as an easy-to-implement “bolt on” application, text chat must be carefully integrated into the overall interaction strategy and operations of the company. It takes time and effort to determine which consumers to offer it to, when and where to offer it, and how to integrate it with all of the other systems an agent must reference during a chat session. Without considering these important questions, it is almost certain that text chat will be underutilized and unappreciated by consumers.

### Case In Point: Financial Services

Text chat is almost nonexistent in financial services companies. Charles Schwab used to offer text chat to help consumers interested in estate planning, but now drives those inquiries to a toll-free number. Allstate Financial Services encourages its customers to call or e-mail, though they are considering using text chat during the online application process. Vanguard, Janus, and Pioneer Financial drive all customer and prospect inquiries either to e-mail or a toll-free number.

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Fidelity, however, seems to be the exception. While text chat is not an obvious contact option on Fidelity’s main Web site, it is a prominent option in several places on the customer service area of the site as well as the online application. These are both ideal ways to leverage text chat. It gives existing customers looking for an answer simultaneous access to agent expertise. And it gives prospects attempting to open an account the ability to ask – and get answered – important, time-sensitive questions.

Fidelity takes the effectiveness of text chat one step further by pairing it with page push and forms collaboration. These tools enable the agent to take control of the visitor’s browser and direct them to relevant Web content during the chat session. Looking for a form to change the beneficiary on your existing account? The agent can push that page directly to your screen. To avoid coming

across like “Big Brother,” Fidelity asks permission to collaborate when the consumer first signs in for the chat session.

### Why Text Chat Will Help Your Company Win

Several key factors will help text chat finally take its rightful place in the Web experience.

■ *High-Speed Proliferation.* One of the original detractions with text chat was that the conversation was often too slow to be productive. Now, the phenomenal growth of DSL and broadband means that more consumers can enjoy a faster, less choppy chat interaction than those using a dial-up modem. With 100,000 new households adding high-speed Internet access each week, almost 19% of U.S. households will have gone high speed by the end of 2003 (Wall Street Journal, January 8th, 2003). Total broadband subscribers in the U.S. now total more than 19 million (Leichtman Research, May 2003).

■ *The Technology Is Better.* Text chat applications, especially on the agent’s side, have vastly improved. Interface design no longer focuses on enabling reps to handle several sessions at once. Instead, links to intuitive knowledge bases and online service systems mean that answers are found more quickly and conversations flow more smoothly.

■ *Poised For Consumer Acceptance.* Consumers of all ages use e-mail as easily as the telephone and many use tools like Instant Messenger to chat with friends and family in real time. When they see text chat offered on a Web site, they understand what it is and instantly see its benefit. One day soon, consumers will expect it within their favorite Web sites.

■ *We Now Know When And Where To Use It.* The days of offering text chat indiscriminately are gone. We now know that chat is most valuable when deployed in areas of a site where customers or prospects need more information before they can act. Selective use improves its effectiveness and lowers its cost.

Now is the time to take a close look at how text chat can enhance your company’s online consumer experience. Winning companies will offer it *before* their customers expect it and reap the benefits of fewer abandoned shopping carts, higher sales, and loyal customers.

If your company has a customer/prospect-facing Web site with interactive or ecommerce capabilities, now is the time to consider adding text chat to your site. As you weigh this important decision, here are three key questions to ask:

#### 1. Will Text Chat Benefit My Company’s Site?

Analyze your site. Look at click-through rates to determine where consumers drop off, especially within the purchase process. Offering text chat in these areas will help keep consumers engaged and result in more successful outcomes.

#### 2. Should I Outsource or License the Software?

There are a several companies that offer text chat software for outright purchase or via licensing agreement. However, before you buy, consider contracting your text chat needs with a contact center provider. This will give you the opportunity to test chat’s success before making a large investment in software, rep training (often overlooked), and infrastructure. Chat providers already have the infrastructure and you typically pay only for what you use.

#### 3. How Will I Know If Text Chat Is Working?

Measuring the success of chat is difficult, but not impossible. For existing customers, capture an account number or other identifier during the chat session and use it to analyze purchase trends. For prospects, look for a reduction in site visitor drop-off rates, repeat chat visits (can be a sign of acceptance), and/or send a follow-up survey via e-mail.

