The Retailer's Guide To Live Chat

Linc

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Although chat technology has been around for decades (as anyone who grew up in the eras of AOL chatrooms or, later, MSN Messenger can attest), retailers have taken a comparatively long time to figure out how to incorporate this channel into their customer engagement strategy in a meaningful way. Americans spend a good chunk of their day enthusiastically typing on their phones or in one app or another, but how can a brand insert itself into a space usually reserved for interpersonal communication? Most shoppers don't want to engage in text-based banter with brands (sorry, social media managers), but they do want to get timely, accurate answers to their questions and access information that will help to shape their purchase decision.

Enter, customer assistance Live Chat

Retailers are increasingly leveraging webchat or live chat as a means of resolving customer queries or questions quickly and expediently so that shoppers don't need to switch channels to call a 1-800 number or email a customer support address. The bulk of retail on-site webchat is reactive, as in initiated by the customer. A customer might navigate to a contact page and see a link to webchat there or notice a "live chat" banner in the site's footer. By contrast, the less common proactive webchat approach seeks to engage the customer before they decide they need help. In this case, a customer will visit a brand's website and, at some point in their browsing, a chat box or bubble might pop up asking if they need assistance or a modal might slide in asking if they are interested in getting real-time advice from one of the brand's personal stylists, tech gurus or other subject matter experts.

While some webchat offerings are staffed by
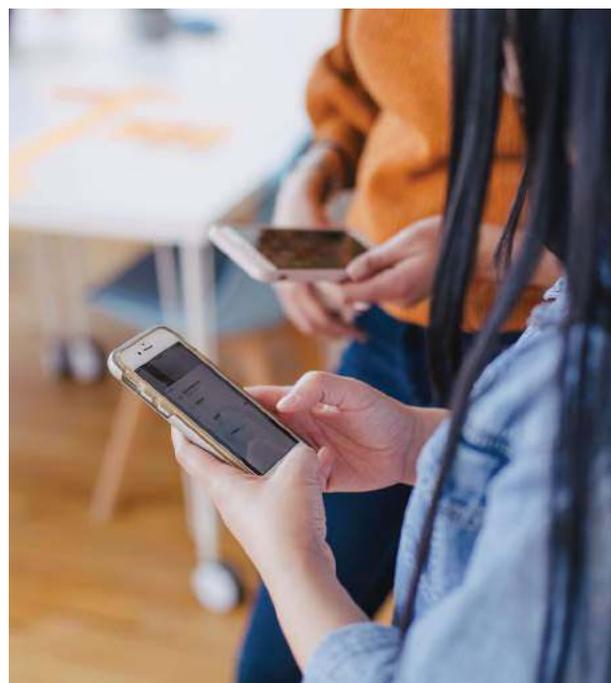
flesh-and-blood customer support reps (think your cable company ortax software providers), as retail webchat continues to mature, savvy retailers are turning to a more scalable approach that is already becoming the default in the B2B world– intelligent assistant-staffed webchat. This is the flavor of webchat we'll be digging into this ebook. Intelligent shopper assistants are chatbots that use logic and training grounded in real ecommerce data to engage with customers, from answering routine inquiries about product availability, shipping time and order status all the way to receiving orders ([Extra-large meat lover's pizza, anyone?](#)) and processing returns. And they're the future of retail webchat.

Why Live Chat (Web chat)?

With a plethora of channels demanding attention, aggressive revenue targets to hit and customer expectations growing by the day, why should retailers invest resources in webchat vs. any of the other customer engagement priorities requiring focus and budget dollars?

Deliver better CX and meet evolving customer expectations

To say that customer experience is the defining competitive differentiator for brands today feels like a cliche at this point, but like most cliches, it's rooted in well-worn truth. Brands that provide a multi-channel customer experience (CX) significantly outperform those without when you look at customer retention, which in turn trickles down to increased customer lifetime value and a lower outlay on new customer acquisition.

Research from HubSpot shows that 90% of customers now expect an "immediate" response when they raise a customer service issue with your brand. Webchat can help you scale to meet rising customer expectations and deliver outstanding CX by ensuring a consistent customer journey across touchpoints and providing intelligent interactions based on an individual's shopping history, while also giving your customers the aforementioned immediate response. With half of customers already saying they want customer service to be chat/text/messaging based and 44% preferring to deal directly with an intelligent assistant, embracing your customers' expectations means leveraging webchat.

This is especially true if your target market includes anyone 40 or under. There are over 75M Millennials in the US alone, they represent a combined annual purchasing power of over $200B and their use of technology is one of this generation's defining features. The fluidity with which Millennials move from channel to channel and the priority they place on immediacy, convenience and real-time engagement makes webchat via intelligent assistant an ideal means for retailers to connect with this audience. 60% of Millennials have already engaged with chatbots in some capacity and 70% of them report that the experience was positive.
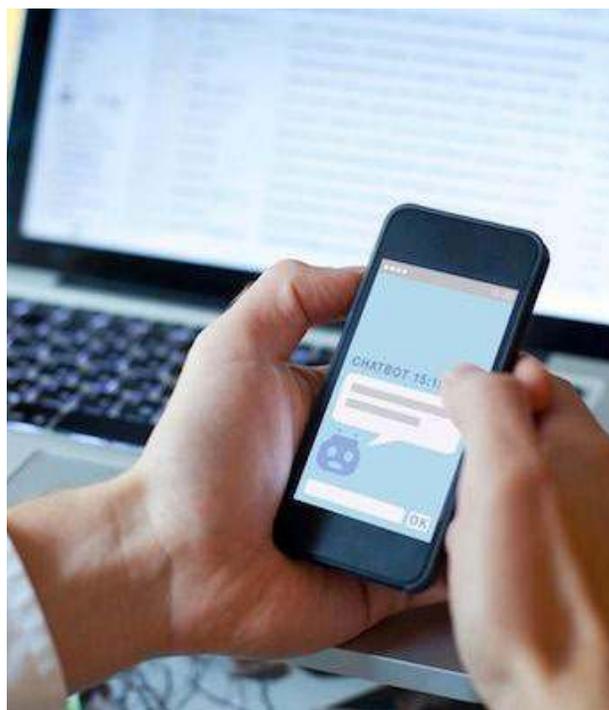
Source: HubSpot, 9 Companies Using
Live Website Chat in a Creative Way

Put simply, webchat is a scalable, cost-effective means to engage with your customers on their terms and deliver greater customer care consistency and a higher quality customer experience.

Cut customer care costs

Linc's own research shows that 55% of retailers report that they're experiencing an increase in customer care costs. No matter their size, brands are looking for ways to more effectively serve customers without eating into often razor-thin profit margins. Webchat isn't a silver bullet of course, but, deployed smartly, it can help you maximize your existing customer care resources by effectively resolving up to 70% of your customers' most common inquiries. Implemented at scale, this frees up your human agents to handle the more complex, time-consuming cases that require personal attention.

Hear from your customers in their own words

Think about the last receipt you received. Odds are that if it was from anywhere other than a stand-alone boutique or a mom and pop operation, it included an invitation (more like a plea) to go online and rate your experience with the brand, with the enticement that you could win a giftcard or a free burger for sharing your thoughts. And, if you're like most of your shoppers, you probably never gave this low-effort attempt at gaining customer feedback a second thought. Your customers are inundated with requests to share their opinions, leave reviews and rank their interactions, but most of these requests just register as noise.

Webchat can help you cut through the noise and gives you direct access to your customers'

MEASURING CUSTOMER ENGAGEMENT

Across a variety of industries -- including business-to-consumer and business-to-business customers -- Gallup's research has consistently shown a powerful link between customer engagement and key business outcomes. Customers who are fully engaged represent an average 23% *premium* in terms of share of wallet, profitability, revenue and relationship growth compared with the average customer. In stark contrast, actively disengaged customers represent a 13% *discount* in those same measures. The three items that produce the Gallup Customer Engagement Score (Gallup CES) are:

1. *Company* always delivers on what they promise.

2. I feel proud to be a *Company* customer.

3. *Company* is the perfect company for people like me.

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GALLUP

Source: gallup.com

thoughts in their own words. What are their most common questions? Where are the biggest points of friction or frustration in dealing with your brand? How do they talk about your products? Mining your chat transcripts can help you efficiently uncover and respond to trends in your business and weak points in your customer care in a powerful, direct way that surveys and Net Promoter Scores never can. You get the truth straight from your customers' mouths (or fingertips) with no need to cajole or offer incentives.

Increase conversions and customer lifetime value

If you aren't using webchat as part of your customer care and marketing and sales strategies, you're leaving money on the table. Data from Forrester shows that visitors to your ecommerce site who use web chat are almost three times more likely to convert than ones who don't. Thinking beyond one-off sales, customers who are engaged with your brand, spend more (a lot more) than those who don't. According to Gallup, engaged customers represent a 23% premium over average or unengaged customers when it comes to wallet share, profitability, revenue and relationship growth. You need to give customers as many low-friction ways to engage with you on their terms as possible to create loyalty. Webchat represents a vital channel to leverage in this quest.

Next Steps For The Chat Curious

If you're ready to explore the advantages of intelligent assistant-based webchat, it's critical to create the right context for success. You can move quickly and enthusiastically, but don't eschew strategy for speed.

Choose your platform

While many retailers have found early (if mixed) success deploying chatbots on third-party platforms like Facebook Messenger, [research](#) from Forrester shows that an increasing number of brands are expanding their in-house options. 60% of those surveyed had a webchat option on their own site or were piloting something similar while only 47% could say the same about leveraging a third-party platform. We think this points to a growing understanding that customer care efforts need to cover the entirety of the customer journey, not just the post-purchase experience. Deploying webchat on your brand's own website allows you not only to respond to inquiries from current customers, but to engage digital window shoppers who are in a pre-purchase phase, providing them with the information, product exposure and support they need to make a purchase decision. As well, building out on-site chat helps to mitigate the risk of putting all your eggs in a third-party platform's basket, leaving your chatbot at the mercy of the development and usage parameters set by that platform.

Evaluate vendors intelligently

Choosing the right partner to deploy your webchat offering is vital and you should enter any vendor conversation armed with a list of questions that will help you determine the best fit solution for your needs. You'll want to ask about scalability,
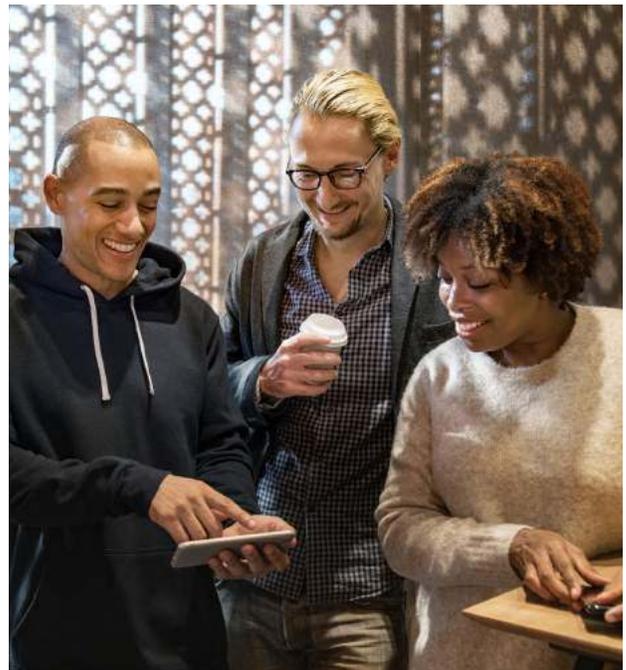
integrations, AI training, the product's road map, etc. If you want a full cheat sheet on evaluating customer care automation vendors, check out our other ebook, **The Retailer's Guide To Choosing An Automated Shopper Assistance Platform**.

Specialist Or Generalist?

The choice of automated shopper assistance provider often comes down to going with a vendor that specializes in purpose-built retail AI like Linc or utilizing a generalist platform you might already use that has added AI capabilities to its offering, like Salesforce with their Einstein AI. Here's how these two approaches stack up:

Generalist Vendor

Pros:

- May already be a customer of their software, so shorter learning curve / implementation period

- May be cost effective if you can bundle this functionality into your existing subscription

Cons:

- Can't deliver a truly disruptive competitive advantage
- Not domain experts in the retail AI space
- Can be slow to add new skills and functionality since this is not their core business
- Often require a third-party system integrator, adding more complexity and cost to your tech stack

Generalist Vendor

Pros:

- Potential for disruptive competitive advantage
- Strong domain specific expertise
- No third-party integrator required
- Deep training for AI using highly relevant ecommerce data and natural language
- Can scale to add new skills and functionality quickly since this is their core business

Cons:

- More due diligence required to separate out the best-in-class vendors from the rest
- May be a greater investment than a generic, off-the-shelf solution

Start with a limited use case and scale as needed

While the temptation with new technology is often to go from zero to 60, prudent retailers will choose a specific use case for their initial foray into intelligent assistant webchat, and then analyze, learn, refine and expand as the data tells them.

Attempting to launch a soup to nuts solution with bells and whistles that haven't been vetted against your customers' expectations and needs is a recipe for underwhelming results at best and outright failure at worst. Focus on a few key customer care Attempting to launch a soup to nuts solution with bells and whistles that haven't been vetted against your customers' expectations and needs is a recipe for underwhelming results at best and outright failure at worst. Focus on a few key customer care challenges you want to solve via webchat, define the metrics for success and map out a plan for growing your webchat offering in tandem with what the customer data you're collecting tells you.

Conclusion: Where Is Live Chat Going?

While the bulk of webchat use cases today focus on delivering more accessible customer care (ideally, pre and post purchase) or adding value to an existing moment of customer engagement, these applications represent only the tip of what could be a very lucrative iceberg. When Forrester recently took a look at the sites of 10 major retailers including Amazon, Target, Walmart and Best Buy, they found that only one, Dell, was using webchat proactively and as a means of driving sales. While text-based shopping may never become a dominant path to purchase (unless we're talking about consumables like pizza and coffee), the possibility for intelligent webchat shopper assistants to become trusted and indispensable concierges that unobtrusively support customers as they browse and buy while offering proactive product recommendations and consultative buying is on the horizon and it's what smart retailers are already building toward.

Trusted by leading brands and retailers

For more information please visit **www.letslinc.com** or email **sales@letslinc.com**