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CONNECTED.**

LogMeIn[®]

Boost Sales Conversions with Live Chat

Providing excellence in sales/support where and when customers want it

2013

BOLDCHAT® by LogMeIn®

the
e-tailing
group



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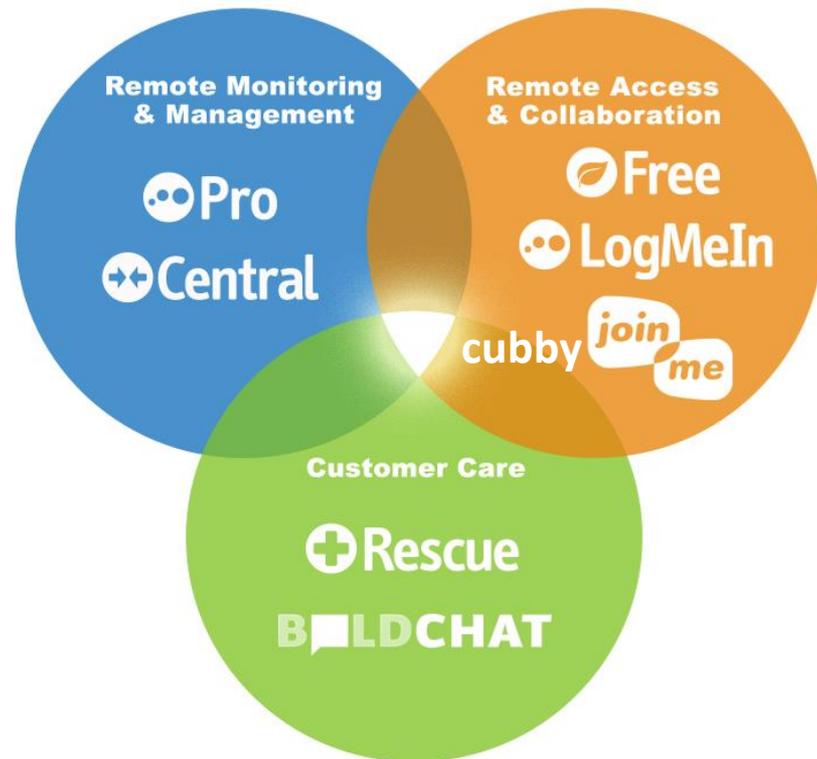
- Asking questions
- Accessing the recorded webinar
- Receiving a copy of the deck
- Getting a copy of *Live Chat Effectiveness 2013*
- If you can't see or hear anything
- Speaker roles during the webinar
 - Ross: The Data
 - Lauren: The Voice of the Customer
- Reaching the speakers
 - ross.haskell@logmein.com
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Cloud-based collaboration, IT management, and customer service solutions to empower, manage, secure and support the new mobile workplace.

- Nasdaq: LOGM
- Founded in 2003
- Headquartered in U.S. with offices in Australia, Hungary, India, Ireland, the Netherlands, and the UK



About the e-tailing group



- 16 years e-commerce **consulting**
- **Author**, It's Just Shopping
- **50+** years traditional retail and catalog experience
- **Fortune 500 client projects** ranging from strategic planning, merchandising, marketing, to technology development and messaging
- **Cross-category** projects spanning specialty retail to departments
- **Proprietary research studies** on mystery shopping, merchandising, mobile and consumer behavior



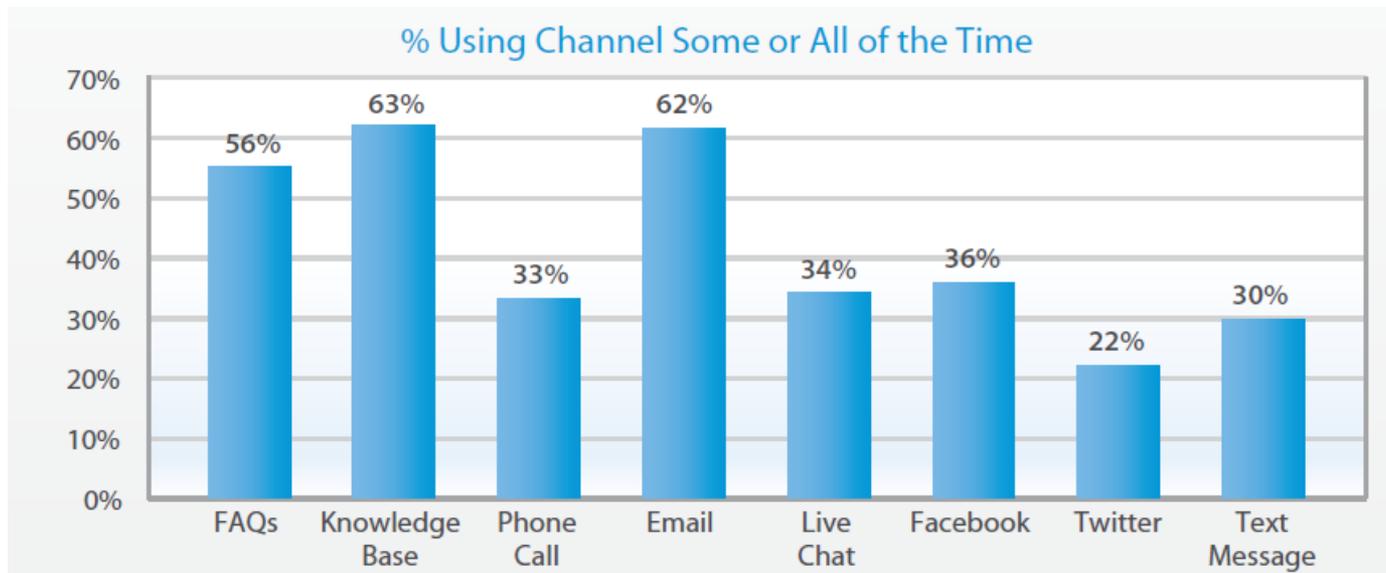
- Foundation of this webinar:
 - *Live Chat Effectiveness 2013*
 - *the e-tailing group 2012 Mystery Shopping Survey*
- The BIG find
 - Customer Service: Any way, any channel
- Three channels that **work**
 - Live Chat
 - Email
 - Social
- Q&A



- *Live Chat Effectiveness 2013*
 - 5th and final year
 - Total sample of over 4,000
 - Truly global
 - United States
 - Canada
 - Europe
 - Australia/New Zealand
 - Mexico
 - Online 3rd party panel
 - All regular shoppers (at least shop monthly)
 - 3rd year collaborating with e-tailing group
- *the e-tailing group 2012 Mystery Shopping Survey*
 - 100 retailers shopped in 4Q'12
 - Customer service queries to each retailer via email, call center, live chat (including a test for proactive prompts)
 - Measured performance for efficiency, competence and timing



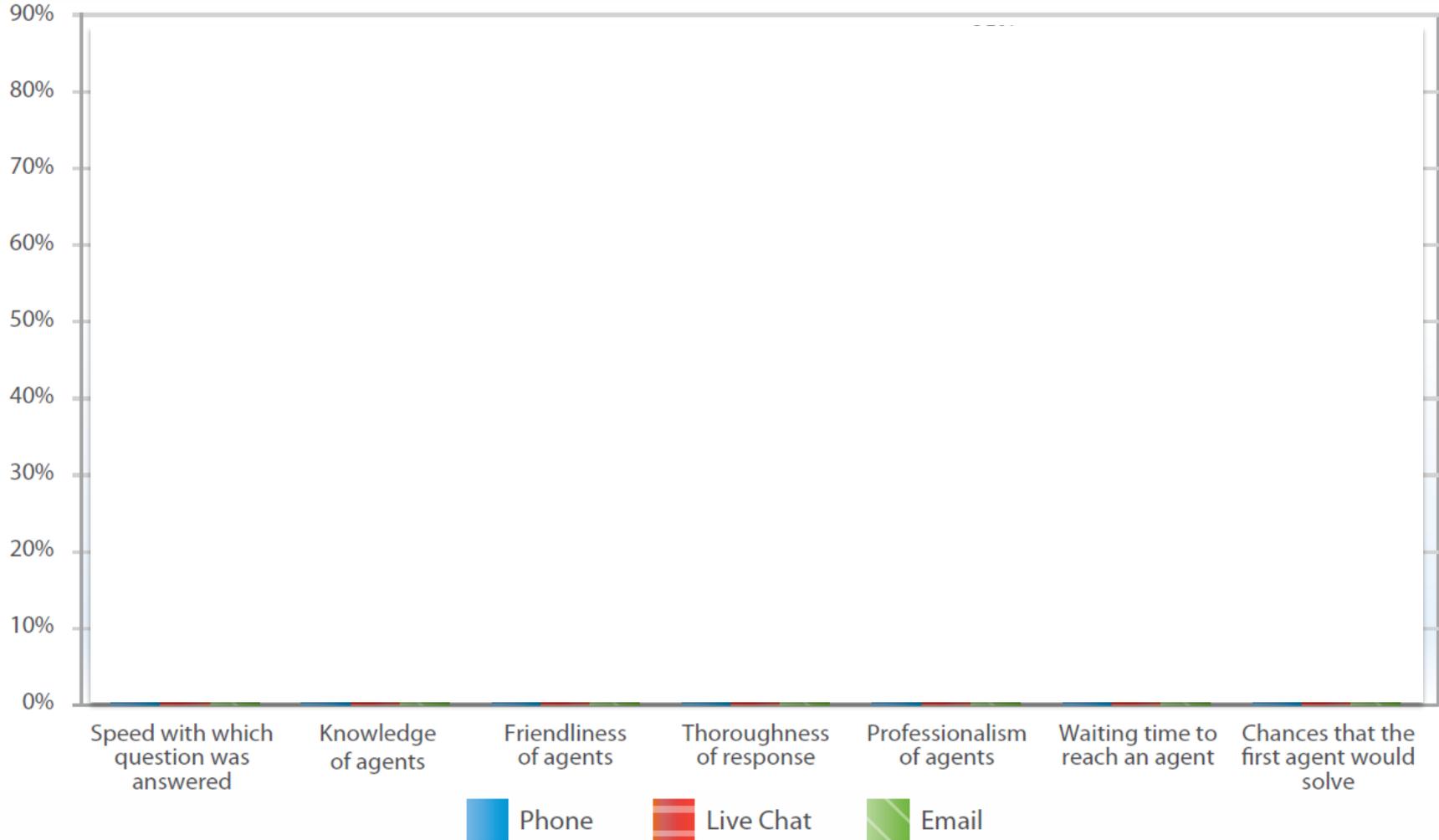
- This year's *Live Chat Effectiveness Survey* included a series of questions about a wide variety of contact methods.
 - Frequency of use, satisfaction via channel, etc..
- We expected to see great disparity among the channels.
- Every ~1 in 5 say they use Twitter some or all of the time to contact retailers.



The BIG Find (cont...)

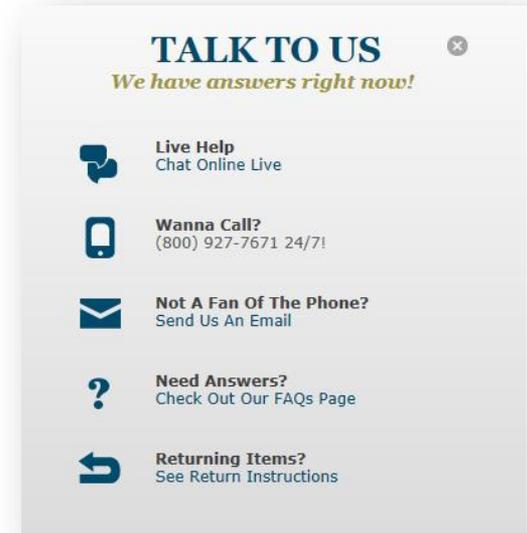


% Saying "Good" or "Excellent" For the Given Channel





- **Customers are vigilant and will escalate via every available channel simultaneously.**
 - *“I had tried to **place an order multiple times** and for some reason the website would not accept my membership card or my address. I **called in** and they said there was nothing they could or would do. I then **contacted their Facebook page** and they promised to fix it but I have not gotten the response I was hoping for. They keep saying that they will call and make it right but it’s been more than a week.”*
 - *“I followed their instructions by **sending details via their website**. When I received no reply within 48 hours, I **rang them** and the details were taken down by their operators who said that the machine would be collected on a given date. The collection did not happen and when I **rang again**, they claimed that their computer had failed and the records were eliminated.”*

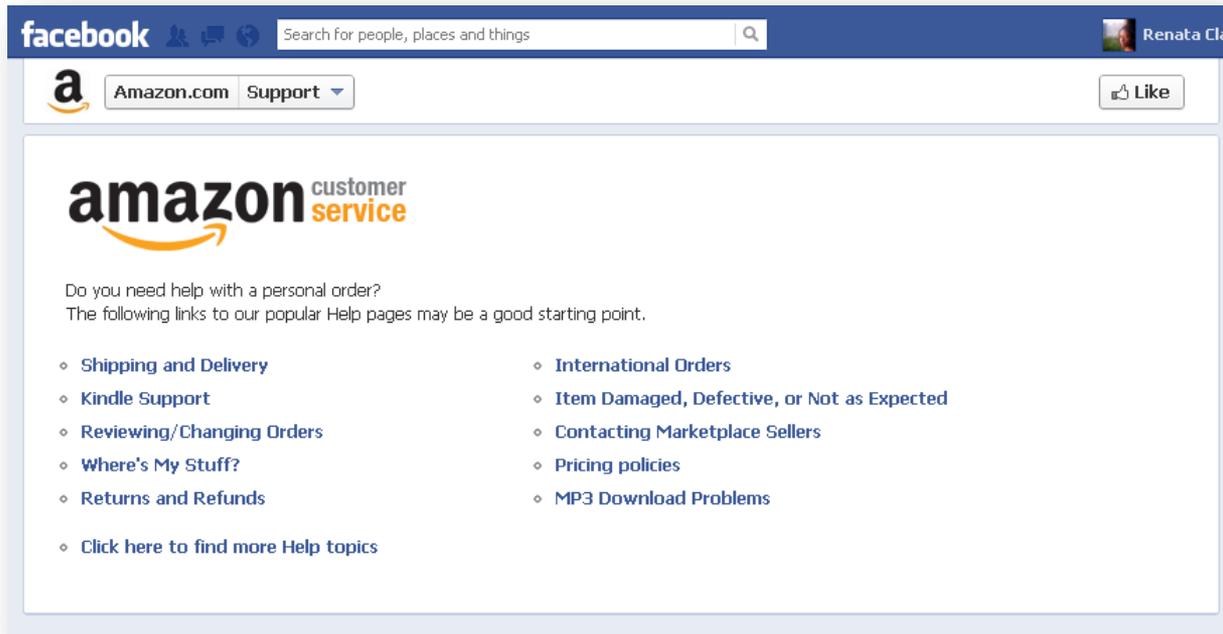


Zappos

The BIG Find (cont...)



- “Had been **sending emails** and **making phone calls** for over a month but when I **went to their Facebook page** I got a response within hours and issue was resolved.”
- “I **emailed the sales desk** to enquire if a handbag was still available and where I can buy it. They responded within 5 minutes, gave me the names of a store in my area. I then **looked up the shop on Facebook**, liked them then asked about the bag.”





- What consumers expect:
 - **Full resolution**
 - **Efficient turnaround**
 - Consistent, **high-quality experience**, no matter what channel
 - **Speed of response** time is in the eye of the beholder.
 - Urgency is a direct correlation given the **customer's circumstances**.
 - **Consumers are aware of the time** that it typically takes to get an answer in any given channel and factor that into their communication choices.
 - Customers **will give new channels a chance** and, in fact, they're willing to be patient when asked about acceptable retailer response times.
 - If customers don't get an answer through one channel, **they branch out**.

Ignoring channels and shoppers can be dangerous

3 Critical Channels

Customers will find their preferred means of service but circumstances will inform their choice.

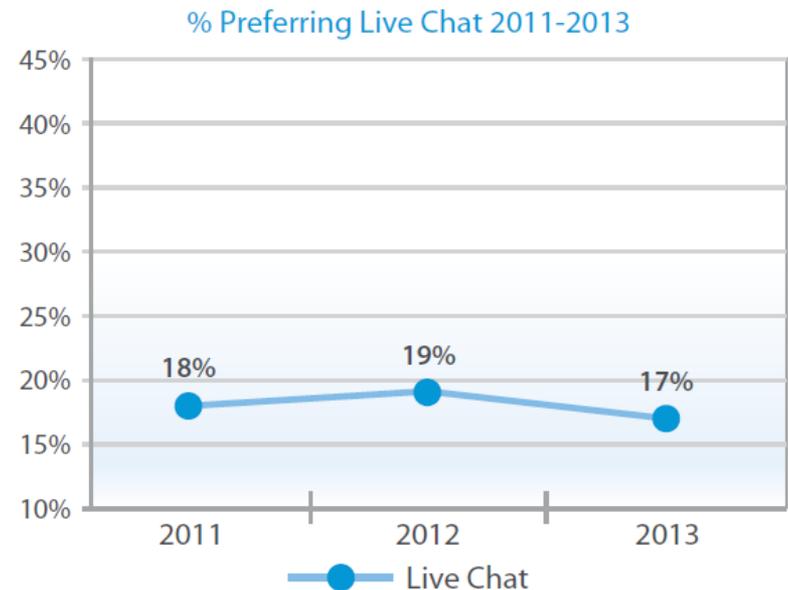
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Three Channels that Work

Live Chat



- Live chat works for many reasons, one of which is that there is a group that prefers it.
- The live chat “preferring” group is a bit unique.
 - Likely less than 50 years of age
 - More likely to be college educated
 - Far more likely to spend more and shop online more
- Other groups (i.e., those who prefer email or phone) are more demographically equivalent.
 - Social is unique too: younger

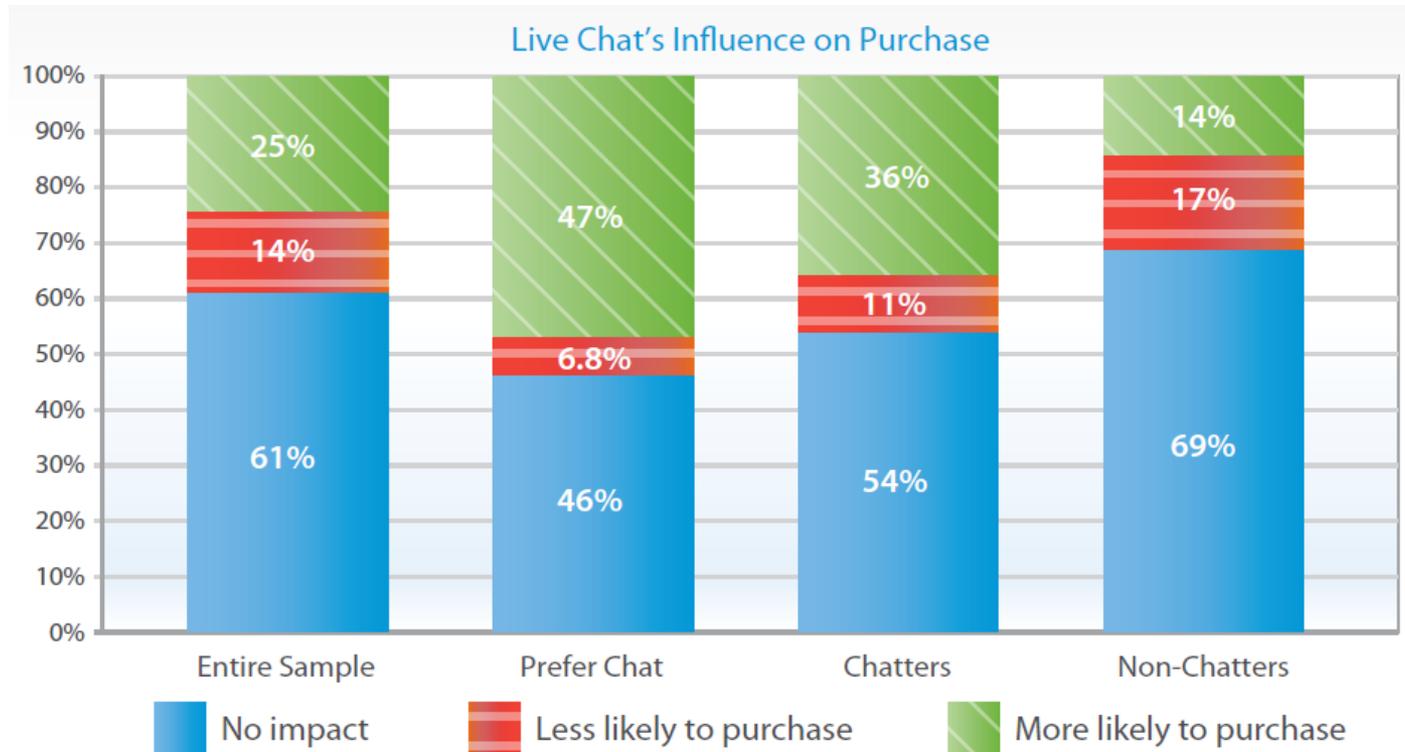


Three Channels that Work

Live Chat (cont...)



- The presence of live chat on a website can have a positive impact on purchase intent.

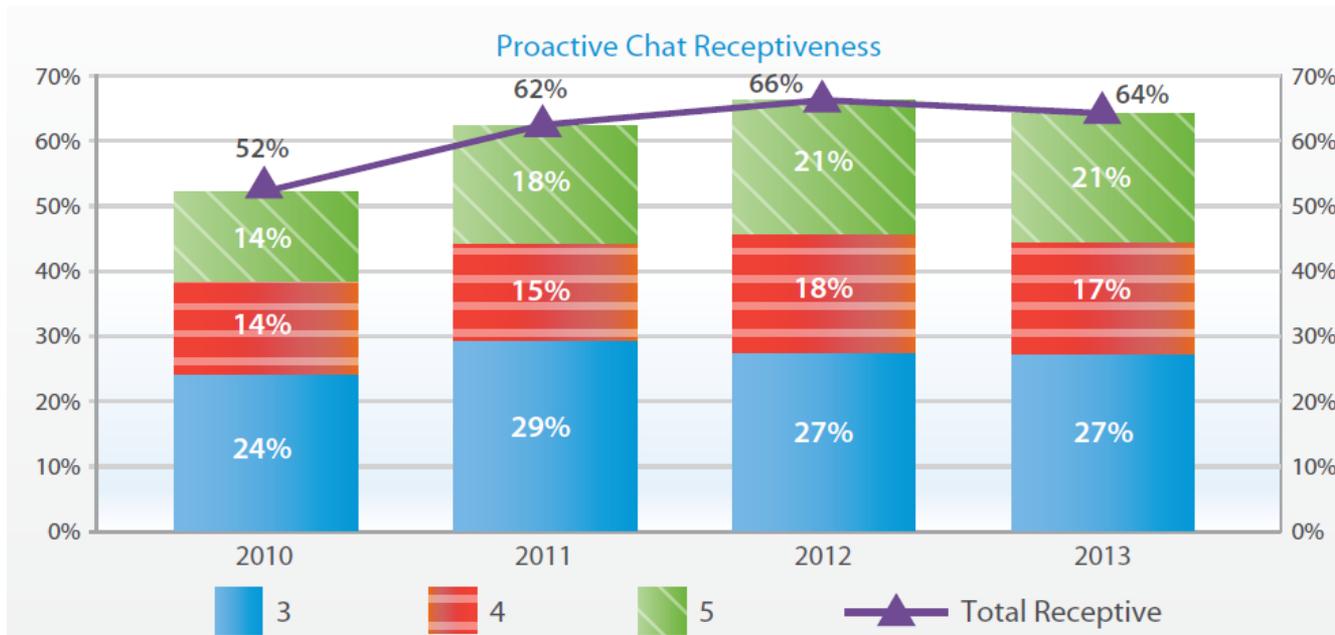


Three Channels that Work

Live Chat (cont...)



- Website visitors are largely receptive to being proactively invited to chat.
- And if they engage in a proactive chat, they are 8 times more likely to buy.

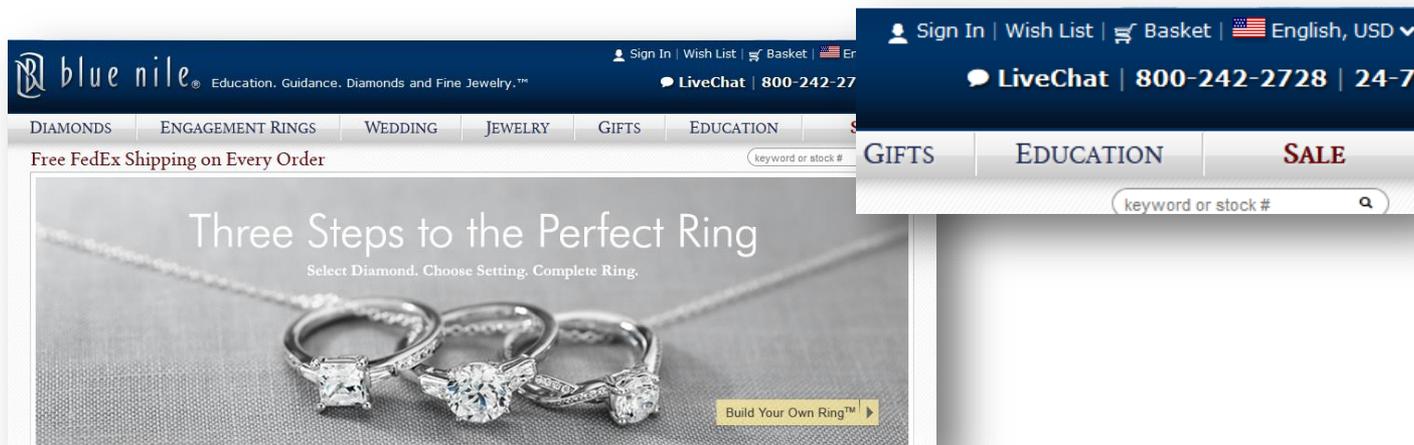


Three Channels that Work

Live Chat (cont...)



- “[I]f they have any questions to ask back at me about a product, I can tell them right away.”
- “...online chat was **quick and answered my complicated question easily and promptly.**”
- “...**proof of the conversation** comes in the form of being able to print the conversation and keep it for reference.”
- “I love live one-on-one chat whenever I need help or a question answered. The **wait is not long**, they are **knowledgeable** and best of all-they have an option to have the entire chat emailed to us so there is **NO misunderstanding** of who said what later on. Love their support.”
- “I kept trying to get a specific answer, but the person continued to send back very general responses. I was convinced they were **not a real person.**”



Three Channels that Work

Live Chat (cont...)



- The give and take mechanism inherent in the technology is ideal and the pace is optimal.
- The multi-tasking factor is appealing.
- The record of the encounter matters.
- Very good chance for 1-chat resolution.
- Put smart agents on chat. Every “bad” chat that the respondents cited had to do with perceived ineptness.
- Chat execution matters including button placement, chat hour availability, and button design.

Chat Buttons



Chat Offers a Unique Opportunity for Timely Responses and Relationship Building

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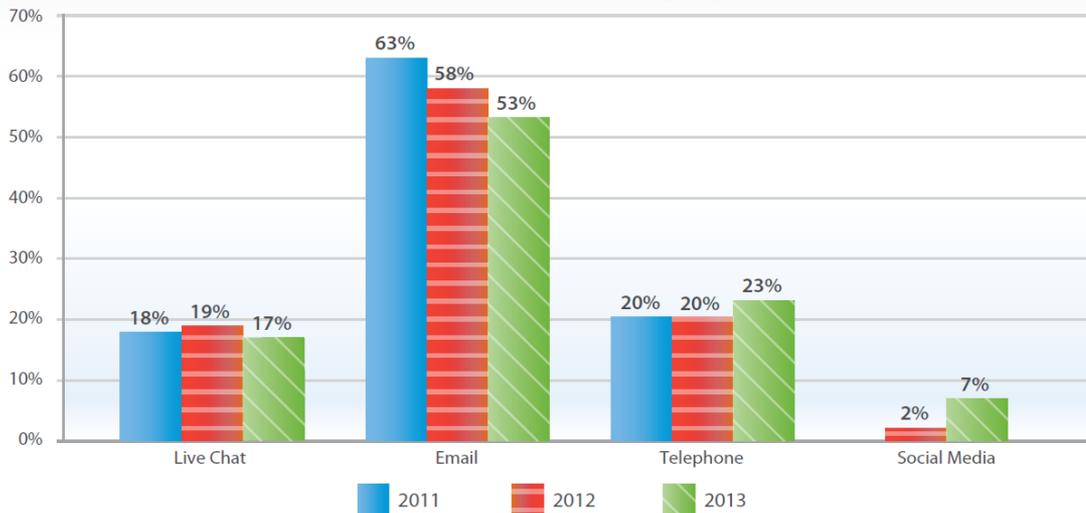
Three Channels that Work

Email



- Email is the most preferred way to communicate with a retailer overall.
- Email is also the most preferred way under a series of shopping scenarios.
 - The channel has performed consistently well for the past 5 years.
- Consumers like it because it's ubiquitous and allows for a “documented” version of their interaction.

Preferred Communication Channel 2011-2013



Number of Times Channel was the Winner over the past 5 years.

	Email	Phone	Live Chat
Having trouble finding item	3	0	2
To ask a general question	4	0	1
Experience checkout error	3	1	1
Inquire about specials	5	0	0
To ask about guarantees	5	0	0
To inquire about an order already placed	5	0	0

Three Channels that Work

Email (cont...)



- “Life is too short to wait on the phone and especially difficult with children, so email is much easier and I can **keep emails as reference.**”
- “...maze of automated phone lines before getting to an operator.”
- “...email lets you think as you compose **questions** so they are asked more considerately.”
- “...avoid speaking to agents directly where **language barriers are nonexistent** and clear understanding more likely.”
- “...any **promises or offers are made in writing.**”
- “...everything is in **black and white** leaving ‘no room for doubt’.”

The screenshot shows the 1A Auto website's contact page. At the top, there's a navigation bar with links like HOME, SHOP BY PART, and SHOP BY VEHICLE. Below that is a search bar with dropdown menus for '1. Choose a Make', '2. Choose a Model', and '3. Choose a Year', followed by a 'GO' button. The main content area is titled 'Contact Us' and includes the company's address (8 Chapel Place, Pepperell, MA 01463) and phone number (888-844-3393). It also lists customer service hours: Monday-Friday 9:00 AM to 7:30 PM EST, and Saturday & Sunday Closed. A 'Contact Form' is prominently displayed with fields for Name, Company Name, Email Address, Phone Number, Nature of inquiry (a dropdown menu), Order Number, Item Number, and a large text area for Message/Comments. A 'SUBMIT' button is at the bottom right of the form. To the left of the form, there's a 'LIVE CHAT with a parts expert.' widget with an 'ONLINE' indicator and an 'Email Us' button. Below that is an 'ASE' logo. Further down is a 'Highest Ratings' section with a quote: 'Quality: We've got the awards to prove it!' and text mentioning the Bizrate Circle of Excellence award. On the right side of the page, there's a 'Circle of Excellence' award logo for 2012 Platinum and a 'Customer Feedback' section with a red car image.

Three Channels that Work

Email (cont...)



Email Communication	2012	2011
Answer Email Question Correctly	82%*	79%*
Auto Response	8%*	10%*
Specific Response	92%*	90%*
Is Email Personalized in Salutation?	86%*	83%*
# of Hours Between Auto Email Response or Personalized Response (Minutes)	21 hours 42 min*	31 hours 27 min*
Never Answered Question	7%*	4%*

- Timing matters, but businesses have more flexibility here than with other, more real-time channels
 - 88% of survey respondents said they would be satisfied if they received an email response in 1 day or less.
- Industry move to eliminate email may be fraught with challenges
- 24-hour turnaround time seen as industry standard
- A non-response is detrimental to brand image
- Focus on quality of response to truly meet the needs of the shopper

Ignore Email at Your Own Peril

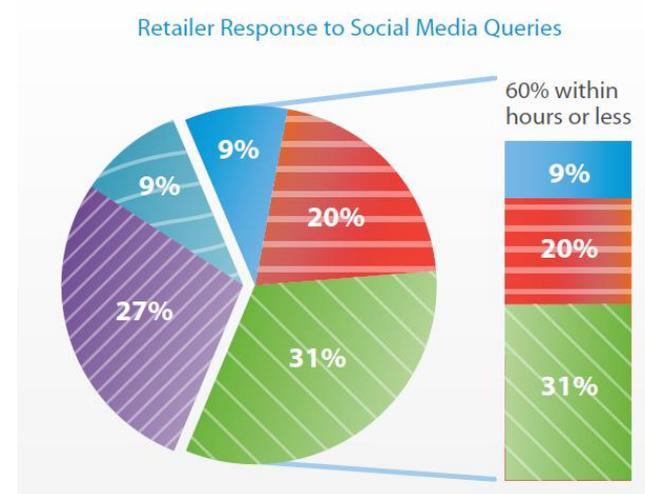
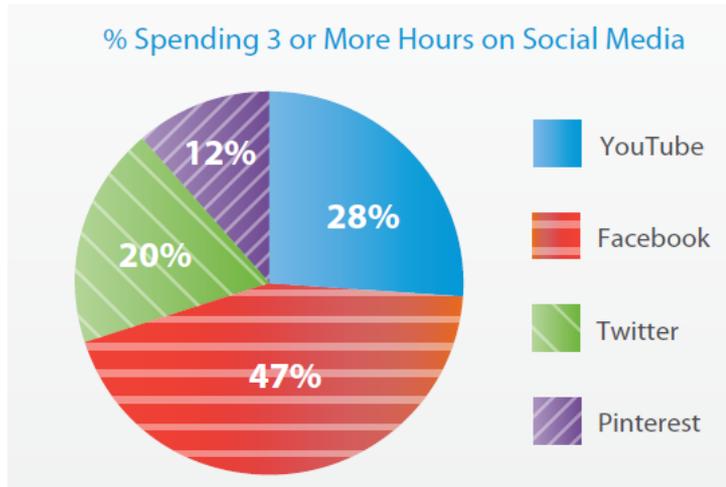
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Three Channels that Work

Social



- In 2012, 2% of respondents said that social media was their preferred communication channel when contacting a retailer. In 2013, 7% chose it. That's 225% growth.
- 74% of the respondents said that they'd used the channel to contact a retailer before.
- Why?
 - We're spending more time on social media
 - Retailers are paying attention
 - Consumers believe that communication via social channels will get the "attention" they desire and deserve

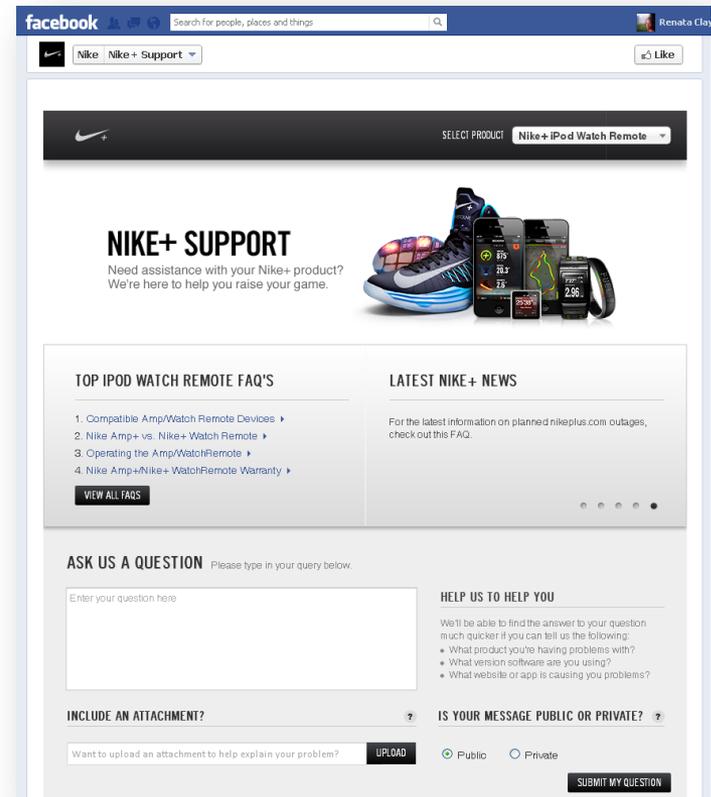


Three Channels that Work

Social (cont...)



- “Retailers want to be seen as **doing the right thing for their customers** so Facebook tends to make them do it and if I get bad service, it is on a public forum where others can see the poor service the company gives.”
- “...couldn’t get link on Facebook to work correctly so I **posted on their wall and received a response within 5-10 minutes.**”
- “...**monitoring their Twitter feed; they got back to me within hours** about an account problem I had.”
- “The **people in Facebook don’t know the products** so how can they answer me...”

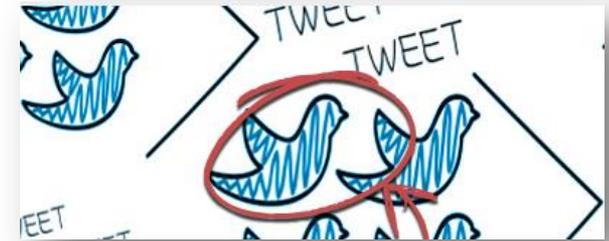


Three Channels that Work

Social (cont...)



- Pay attention to this channel if you're not already.
 - Your competition might already be.
- Using the channel for marketing is different. Don't think "we're doing this already" if what you're doing is tweeting about specials.
 - Actively be looking for customers and prospects who are seeking help.
- Respond within hours at least. Minutes is better.
- Put smart, knowledgeable people on the job.



Be Trained and Timely as Public Face is Fraught with Problems

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- The 2013 edition of *Live Chat Effectiveness* (based on a global survey of over 4,000) finds that:
 - Live chat is a channel with a dedicated fan base that can positively drive conversions.
 - Email is widely preferred and offers a “timing” benefit to retailers.
 - Social media is growing in commerce importance, and it works.
- We also learned that:
 - Customers will use every channel they can to resolve problems.
- The #1 takeaway: Embrace and optimize all communication channels, especially considering many customers’ penchant for using multiple channels at once about the same issue.



Customer Service: Food-for-Thought



- **The goal as a company is to have customer service that is not just the best but legendary.**--*Sam Walton, Founder of Wal-Mart*
- **Your most unhappy customers are your greatest source of learning.**--*Bill Gates*
- **Well done is better than well said.**--*Benjamin Franklin*
- **Customers don't expect you to be perfect. They do expect you to fix things when they go wrong.**--*Donald Porter, V.P. of British Airways*
- **Good service is good business.**--*Siebel Ad*
- **You'll never have a product or price advantage again. They can be easily duplicated, but a strong customer service culture can't be copied.**--*Jerry Fritz*
- **In the world of Internet Customer Service, it's important to remember your competitor is only one mouse click away.**--*Doug Warner*
- **Make a customer, not a sale.**--*Katherine Barchetti*
- **Customer service is not a department, it's everyone's job.**--*Anonymous*
- **We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better.**--*Jeff Bezos, CEO of Amazon.com*
- **Customer service is just a day in, day out ongoing, never ending, unremitting, persevering, compassionate, type of activity.**--*Leon Gorman, CEO of L.L.Bean*
- **There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.**--*Sam Walton, Founder of Wal-Mart*

Q&A



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