BOLDCHAT by LogMeIn

Research Report

Live Chat Effectiveness

A Survey of Internet Shoppers

2013

Foreword & additional analysis by

the e-tailing group

BOLDCHAT by LogMeIn

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Foreword:

By Lauren Freedman, President, the e-tailing group

Solve My Problem Now: Customer Service, Any Way, Any Channel

Customers Embrace Every Form of Service Available

It's almost shocking that our 2013 research revealed that today's consumer is almost ambivalent when it comes to customer service channels; this generation of shoppers simply wants service their way. Of course, some customers have a preference for one channel over another, but it appears that's born out of experience more than anything else. What they aren't ambivalent about is the level of service they expect to receive. From the stories they shared with us, it seems that service informs who they choose to do business with in the future and which communication channel ultimately becomes their platform of choice when seeking service and support from retailers.

Consumer Insights Revealed

Having conducted market research for the past ten years, I have always found that while the numbers are instructive, there is tremendous value in open-ended responses. So, while much of the report that follows emphasizes the quantitative, I will focus on bringing the shopper voice to light.

By reading through hundreds of open-ended responses, one quickly concludes that when a shopper requires customer service from a retailer it is due to a finite set of circumstances. They likely have a distinct problem they want to resolve relative to product delivery or obtaining additional product information before consummating a purchase. In their quest to solve the issue, respondents' narratives taught us that:

- Desired outcomes and timing include full resolution, efficient turnaround, and a consistently high quality experience.
- Speed of response time is in the eye of the beholder and urgency 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.

As we are not seeing any outliers in our research, one would have to be convinced that all of these methods are here to stay requiring retailer accommodation and proficiency.

Customer Service Trial And Error: Customers Will Find Their Preferred Means of Service but Circumstances Will Inform Their Choice

Consumers are willing to try any and all methods and, in fact, the hundreds of responses I read suggest vigilance on the part of those who need service and a willingness to use multiple channels to solve problems.

> *CAUTION: Ignoring channels or shoppers can be dangerous*

Consumers know how to get the attention of companies they do business with often taking a multi-pronged approach to seeking support. Like me, they use any available means available escalating their issues through 2-channel inquiries in hopes of seeing a quicker and more satisfactory resolution. Multi-channel examples included the following comments:

"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."

"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. They responded within 10 minutes I contacted the retail through Facebook and email."

Learnings by Channel

This report includes five important conclusions, and three of them are channel specific. In each of these cases, we have the benefit of open-ended responses which add true color to the statistical data included in the report.

Ignore Email At Your Own Peril

Email, recently rumored in the media to be on the chopping block from a number of retailers appears to be the comeback kid (or one that never left the family). Ten service scenarios were presented and respondents were asked to indicate which communication method they would prefer to use. In every instance sending an email was the first choice making it universally appealing to customer service seekers.

Retailers know, and this research finds, that consumers have a twenty-four hour turnaround expectation when it comes to email. Some retailers, perhaps unable to meet this threshold, have considered abandoning the channel. It appears that this will not be a wise strategy as our research overwhelmingly sees great interest, and usage.

For those who preferred email over the phone they cited not having to waste time on the phone and its inconvenience relative to the workplace or where children are involved. Sentiments shared included, *"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."* Undoubtedly the *"maze of automated phone lines before getting to an operator"* contributes to their channel choice as well. Many cited, like one respondent, that *"email lets you think as you compose questions so they are asked more considerately."* Several mentioned that with email they can *"avoid speaking to agents directly where language barriers are nonexistent and clear understanding more likely."* It also became clear from the open-ended responses that the ability to create a paper trail and have a record of the communication would be important as this way *"any promises or offers are made in writing"* while another summed it up succinctly, *"everything is in black and white"* leaving *"no room for doubt"* about what has been said. Lastly, the thoroughness and precision of the answer should be noted as there is a belief that in other channels (most likely phone), compromises are made.

CAUTION: Lack of email customer service may be a perilous decision given the favored status it sees across all of our research.

Social Media As a Sales and Support Channel Cannot Be Denied

As a bit of a social media cynic, I was surprised to see the strong support of social relative to customer service. Over the past year, reflecting on interviews conducted with retailers, I had learned that more consumers were connecting via social queries to solve customer service issues causing all of them to revisit their ability to respond in a timely fashion.

Retailers are well aware of the channel's public facing nature which puts greater pressure on their organizations to perform. One consumer candidly reported, *"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."*

The speed of the response and its implications were clear in comments such as, *"couldn't get link on Facebook to work correctly so I posted on their wall and received a response within 5-10 minutes"* or *"monitoring their Twitter feed; they got back to me within hours about an account problem I had."* From a negative point of view the same challenges exist where retailers must ensure that high levels of service are seen contrary to these circumstances, *"The people in Facebook don't know the products so how can they answer me…"* one respondent emphasized.

CAUTION: Be trained and timely as public face is fraught with peril

Live Chat Remains Strong and Continues to Have Loyal Fans

While email is a tour-de-force and social is on the rise, we see again that live chat remains important. The give and take mechanism inherent in the technology is ideal as one shopper noted, *"if they have any questions to ask back at me about a product, I can tell them right away."* The pace is optimal as *"online chat was quick and answered my complicated question easily and promptly."* The record of the encounter is once again noted where *"proof of the conversation comes in the form of being able to print the conversation and keep it for reference."*

Believing the channel is effective at complete issue resolution, one shopper chimed in, *"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."*

Circling back to our multi-channel premise, proactive chat provides an interesting case study in consumer acceptance of new customer service options. Upon receipt of a proactive invite, the majority was receptive and their willingness to embrace is further seen in that over half of the sample had accepted invitation at one time or another. The response that speaks volumes is that 62% of shoppers had neither higher nor lower expectations based on the fact that they'd been invited. At the end of the day, they were willing to test the channel and see what experience they would receive.

CAUTION: Chat offers a unique opportunity for timely responses & relationship building with customers

Customer Service: An All-Around Game

Openness to different communication channels is the mindset that shoppers the world over seem to have when seeking service. Should you deliver on the promises you make in every channel you have available, customer concerns will be virtually non-existent. It is when you are unable to resolve their issues they become vigilant in pursuit of their goals. This report should be a wakeup call to retailers to review their current service levels and to take a stand to support customer service anyway, anywhere.

Yours,

Lauren Freedman
President, etailing group

Introduction To The 2013 Edition

It is with equal parts pride and melancholy that we introduce this, the fifth and final year of the Live Chat Effectiveness report. We started this endeavor with reasons both altruistic and selfish, and we end the report in the same fashion – wanting to leave a legacy of sound, salient, and actionable data, while recognizing that the time has come to focus our attention on new research pursuits. Indeed, as readers will soon discover, the timing is serendipitous. We began five years ago hoping to highlight the benefits of, and demand for, live chat interactions, and we end acknowledging those benefits are true – and true across a myriad of communication channels. Customer engagement, as it turns out, is going multi-channel.

Similar to our approach last year, aimed at shortening the document without scuttling the analysis, we first present the conclusions the data suggests and then investigate each one in some detail, using select survey statistics to illustrate the point. This method puts the most interesting findings at the fore.

What's different about the 2013 edition is twofold. First, the sample size and internationalization of the sample. This year marks the largest sample we've ever fielded at over 4,700 strong. We also have increased our geographic coverage by recruiting survey takers in the United States, Canada, Europe, Australia/New Zealand, and Mexico. The second difference in this year's effort is owing to our continued relationship with *the e-tailing group*.

The e-tailing group Effect

For the third year, we've asked the e-tailing group to assist us with Live Chat Effectiveness. Because the e-tailing group consults so closely and so regularly with major online merchants, their insights continually help to shape the survey design, the fielding methodology, and the overall analysis presented herein. This year, at the e-tailing group's urging, we eliminated some questions which frankly, had run their course, but added several new questions including drill downs into social media and other channels. We also augmented statistical efforts by embracing open-ended insights from respondents.

Methodology

Here we describe the sample and the instrument utilized to collect the data.

Sample and Survey Instrument

The study was conducted entirely online using a third party opt-in panel. Aforementioned was the geographic diversification of the sample which can be seen below:

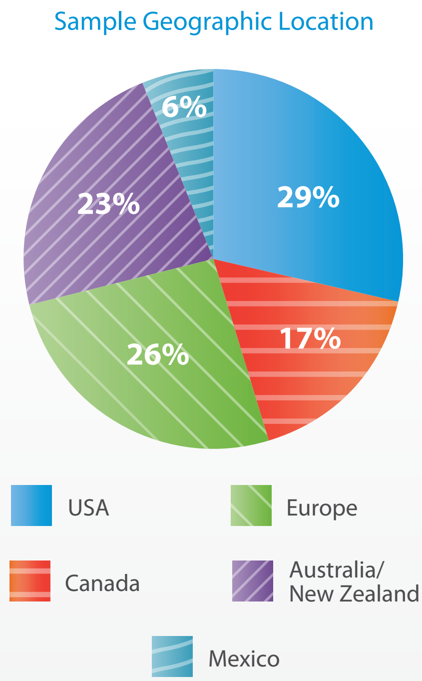

Figure 1: Sample Geographic Location

Those surveyed (often referred to as "entire sample," "entire universe," "respondent universe," "population," or other derivatives of these terms) totaled 4,709 people – up from just over 2,000 respondents last year.

The survey took, on average, 10 to 15 minutes to complete and included a branch and several triggers in order to ask distinct follow-up questions to respondents depending on their preferred communication channel, their experience with proactive chat, and other factors.

As "Live Chat" is a term that is oft confused with instant messaging platforms and/or public chat rooms, the survey included the following prompt:

> *In this next question and in several other questions in this survey, you will see the term, "Live Chat." Live Chat, in this context, is a one-on-one keyboard based conversation between yourself and a website's representative. Instant messaging services like "Yahoo Messenger" and "Skype" are NOT the type of live chat technology to which this survey refers.*

This year included visual prompts for proactive chat invitations[1], button placement, and button design options. A video component was also used in order to gauge respondents' reactions to a particular type of proactive invitation. Our goal was to understand consumer preferences in execution in hopes of making recommendations to retailers.

The instrument included several screening questions in order to validate shopping frequency, country of residence, and annual shopping expenditure. Only those respondents who indicated that they lived in one of the targeted geographies mentioned above, spent in excess of $500 USD per year online, and shopped at least once a month were allowed to participate. All other respondents were terminated.

Respondents were required to answer all questions completely in order for the results to be counted among those reported here.

While the individual questions themselves were not randomized (i.e.: Q#7 for one respondent was the same as Q#7 for another), randomization was used inside the questions themselves. This measure was taken to mitigate order bias.

Conclusions

This fifth annual study of frequent online shoppers points to five important conclusions for Internet retailers.

#1: It's a multi-channel communication world.

Shoppers use and are satisfied with a wide variety of channels to communicate with Internet retailers. And, because each channel carries with it different expectations regarding response and resolution times, retailers can use this knowledge to more effectively and profitably manage the interactions they have with customers and prospects.

#2: Social media as a sales and support channel cannot be denied.

Those saying that social media is their preferred way to communicate with an Internet retailer is up 225% from last year. With 7% of the population choosing social media channels as their favored method, it isn't hard to imagine that number growing to double digits very soon. An amazing 74% of respondents reported having interacted via social media with an Internet retailer and 96% of those interacting said that they received a response. Social media is here to stay, and has a growing role in commerce. The "public" nature of social channels means retailers must monitor communications and be sensitive to response times and relayed information.

1. "Proactive Chat": the issuance of an image or form either manually or based on a set of business rules tied to website visitor behavior, with the specific intent to invite the website visitor to engage in a one-on-one chat conversation.

#3: Ignore email at your own peril.

More than half of the survey sample said that when it comes to communicating with an Internet retailer, the channel they generally prefer to use is email. And, under a series of shopping scenarios, like having trouble finding an item or asking about shipping, email was chosen more frequently than live chat or calling on the phone for every single scenario. Internet retailers need to take email seriously and reevaluate any considerations to abandon the channel.

#4: Live chat remains strong and continues to have loyal fans.

There is, year over year, a steady percentage of regular shoppers who prefer live chat as their communication method with Internet retailers. At 17% in 2013, this sample looks much as it did when we first discovered them. They are more likely to be college educated, less likely to be in homes with incomes of $50,000 or less, less likely to be over 50 years of age, and more likely to spend significantly more online annually. Forty-seven percent of these "live chat fans" are more likely to purchase from a site that has live chat.

Proactive chat receptivity also remained high at 64% and we learned that the very act of inviting a website visitor can change the expectations of the ensuing chat for some visitors.

#5: Geography matters.

The penetration of live chat, preference among shoppers for the technology, shopper's reactions to proactive chat, and live chat's influence over purchase likelihood are different, sometimes remarkably different, in certain geographies. The uniqueness likely stems from cultural norms and device penetration where lessons learned can be valuable as channels grow in each market.

Detailed Conclusion Analysis

The remainder of this document concerns itself with a thorough investigation into each of the conclusions posited above. Here we present data from throughout the survey in support of each of the five statements. When appropriate and/or illuminating, data from past Live Chat Effectiveness projects is also utilized.

#1: It's a multi-channel communication world.

It seems fitting that at the conclusion of our "live chat" effectiveness research, we find that while live chat is indeed effective, other channels are too. In practice, we've advocated publically, and with our customers especially, that they should engage customers where and when the customers choose.

> *"Going multi-channel" isn't easy as it involves coordination of people, processes, and tools, but it is increasingly becoming a strategic imperative.*

This year's research results certainly supports that position.

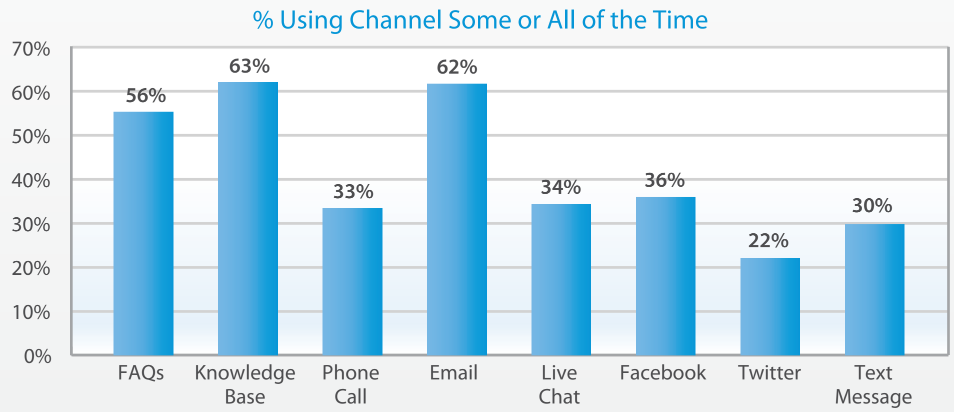

Figure 2: Channel Usage (frequency)

We asked respondents to tell us how frequently they used a wide variety of channels – including self-help channels. Honestly, we expected to see clear winners and losers here, with some channels being used regularly and others almost nonexistent. The disparity was far less evident.

If forced to choose, you might say that Knowledge Base and Email are "winning" channels and Text Messaging and Twitter are the "losers" but a more accurate interpretation of this data is that all the channels get used.

And it's no wonder that shoppers use different channels, as they all seem to satisfy. We asked respondents to recall all their contacts with Internet retailers over the past three months through a variety of channels, and to rate the satisfaction of those interactions.

Even social media, the clear newcomer to the channel field, had 70% of the population saying that when they used the channel with retailers, the experience was either good or excellent. For the three top channels, email, telephone, and live chat respectively, we wanted to understand their relative strengths and weaknesses in certain areas that are predictive of satisfaction. We asked the respondents who'd used those channels with retailers to rate each across seven different factors. With only a couple exceptions, we were again surprised.

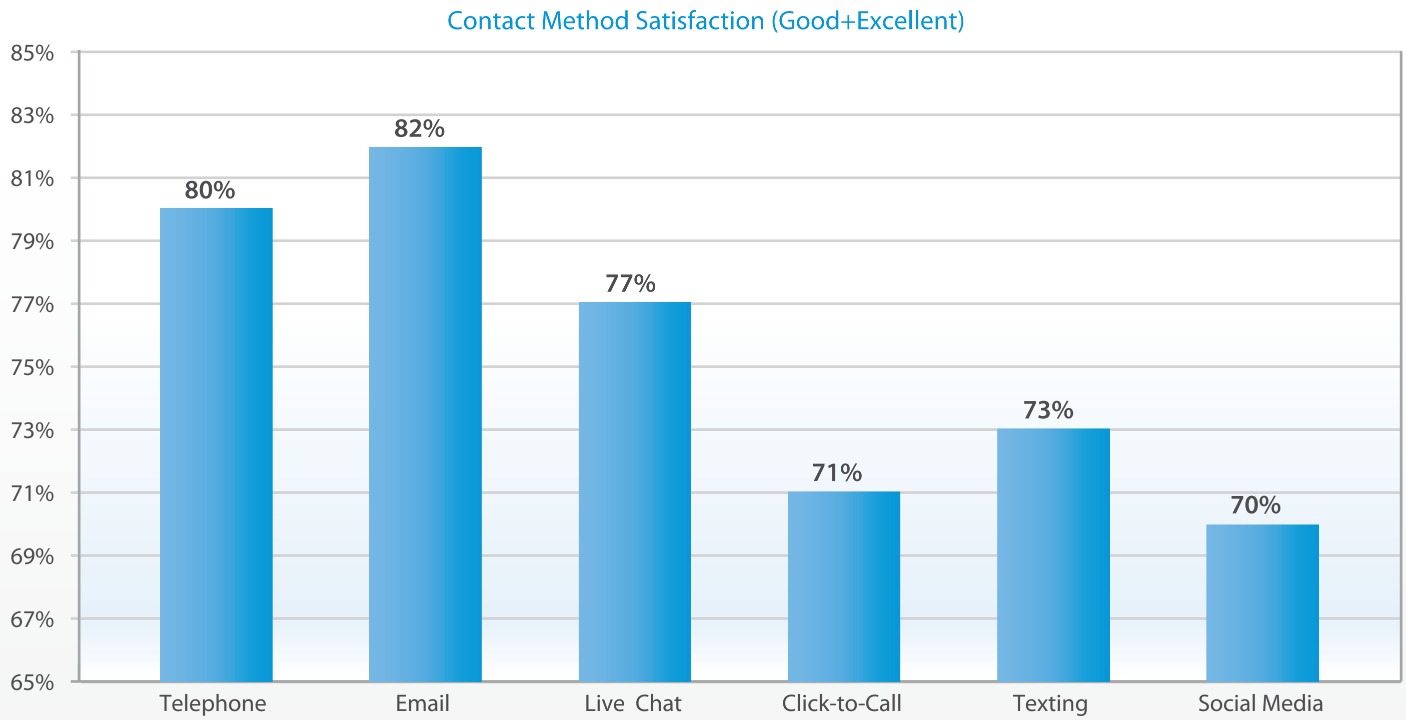

Figure 3: Channel Usage (satisfaction)

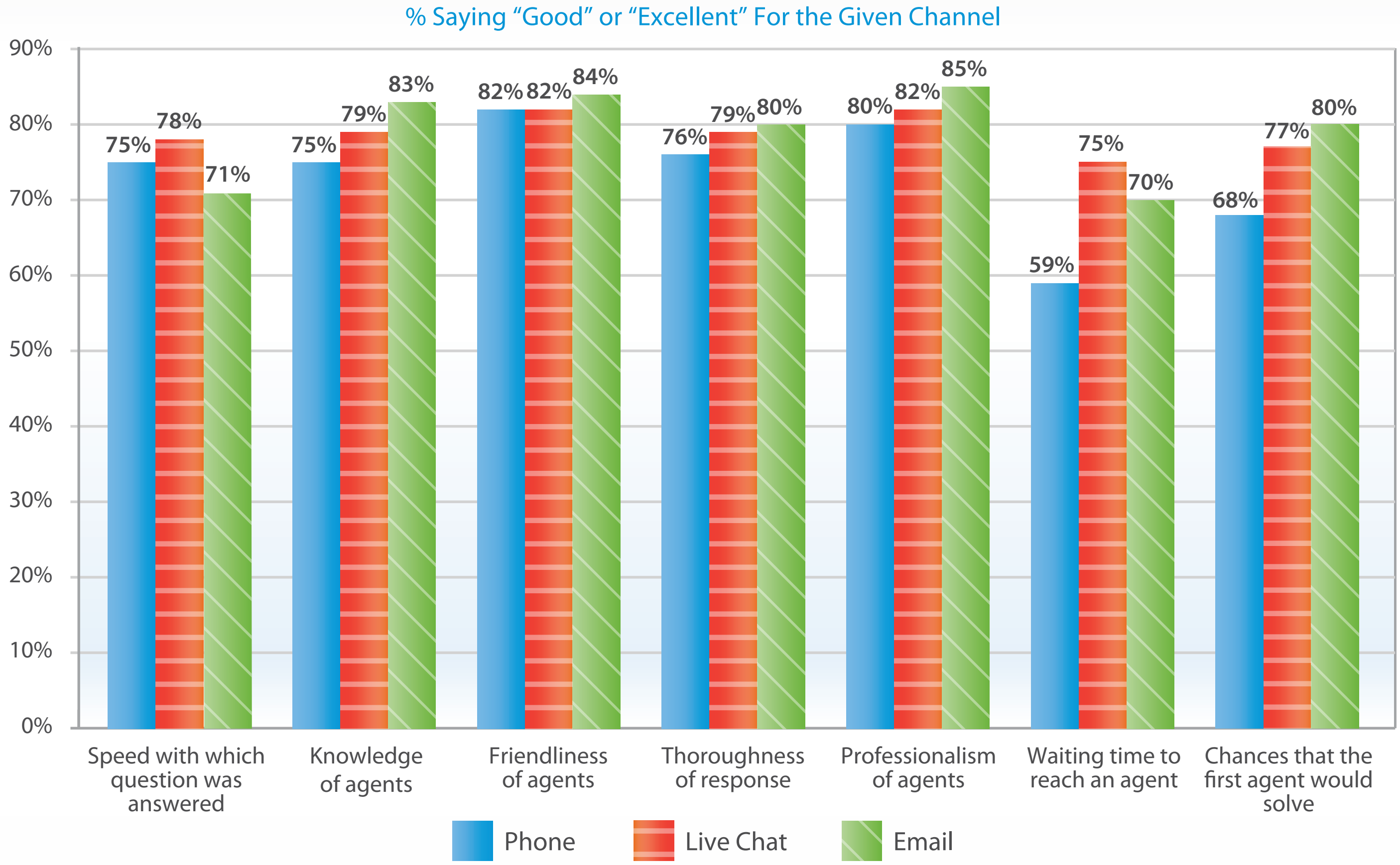

Figure 4: Phone, Live Chat, Email Against Customer Satisfaction Criteria

In contacting an Internet retailer, there weren't any glaring winners or losers among the phone, live chat, and email. The only notable exceptions were the relatively poor rating for the phone with regard to wait times and the chances that the first agent responding would be able to solve the shopper's problem. But other than this outlier, all the channels were highly rated for response time, agent knowledge, agent friendliness, thoroughness, professionalism, wait time, and first contact resolution.

These multi-channel findings are intuitive if we place ourselves in the mind of the shopper. A particular channel may be utilized simply because of circumstance – it is far easier to place a call while sitting in traffic for example. But we discovered another factor as well – the shopper's expectation of timing for a response. We asked shoppers what a reasonable amount of time was to receive a response from a retailer if their inquiries were sent through different channels. The findings are operationally instructive for retailers. The question used a very broad scale to capture responses:

< 1 min | 1-5 mins | 6-10 mins | 11-20 mins | 21-59 mins | 1-11 hrs | 12-24 hrs | 25-48 hrs | 2 days +

We've collapsed the scale here to gain better insight into the data.

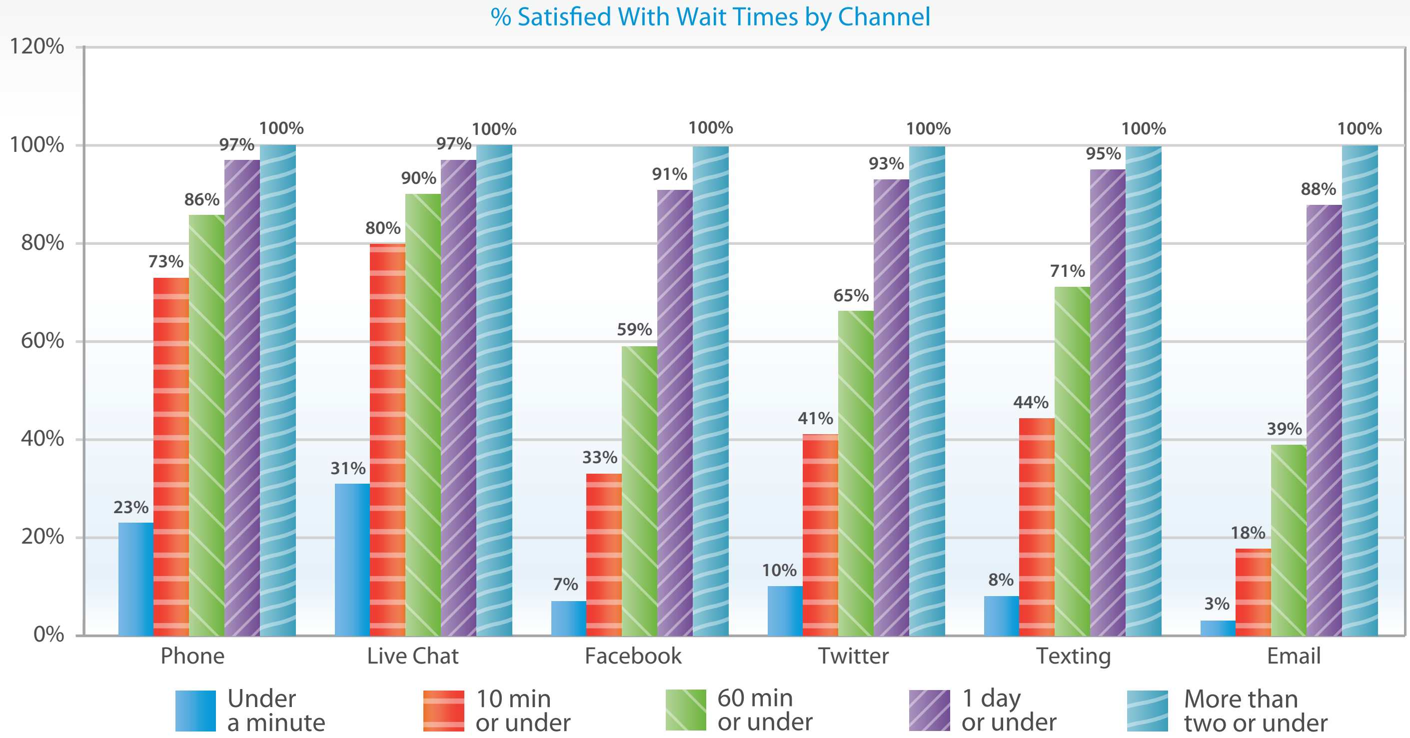

Figure 5: Expected Response Times by Channel

Each channel clearly carries with it different expectations regarding the timing of a response.

This finding posits that some efficiency could be achieved by contact centers simply through channel diversification.

It is clear that some channels demand real-time resources while others allow more forgiveness. The combination, in fact, of Live Chat and Phone, Social and Texting, and Email seem to span the spectrum from immediacy to hours to days.

Looking at each channel is illustrative. Notice that for Phone and Live Chat, it is necessary to respond speedily in order to satisfy the majority of respondents. For Twitter, Facebook, and Texting, it seems shoppers are willing wait up to an hour to be satisfied. 65% of shoppers, for example, say that they are satisfied if their Twitter inquiry is responded to within an hour or less. Finally, 88% of respondents said that waiting a day for an email response was satisfactory.

#2: Social Media as a sales and support channel cannot be denied.

In the 2012 report, we added "Social Media" to the list of choices for which a respondent could indicate their preferred method of communicating with an Internet retailer. Last year, 2% of the population selected this choice. In this year's survey, we asked the same question – explored later – and expanded our analysis into social by asking about time spent on social channels and "memorable" social interactions with retailers.

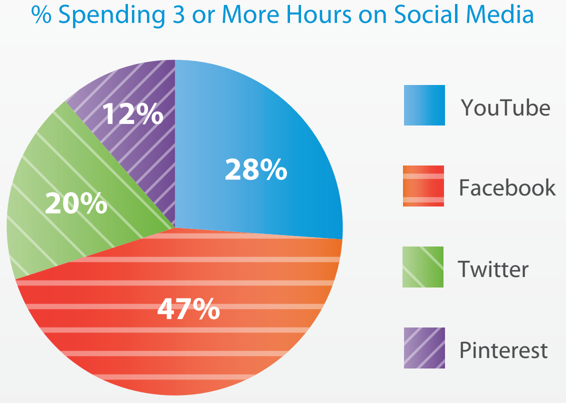

Figure 6: Percent Spending 3 or More Hours on Social Media

Nearly half of the sample, 47%, spends 3 or more hours per week on Facebook. Other social channels experience less usage, but the results are still impressive with 28% and 20%, spending that much time on YouTube and Twitter, respectively.

Perhaps more surprising is that 74% of respondents indicated that they have posed a question or posted an inquiry to a retailer using social media. In response, Internet retailers have done overwhelmingly well, according to the sample.

To questions asked via social media, 96% of the universe said that they have received a response, and quickly too – with 60% saying the retailer communicated with them in hours, or less.

Twenty percent of respondents said that they could recall a specific social media interaction with a retailer because the experience was so positive. We asked survey takers to tell us about these positive social media experiences, and it is clear from reading them that Internet retailers can succeed in delighting customers by responding quickly and knowledgably.

"…when my package hadn't arrived, they provided me with the tracking number via twitter, which they messaged back almost immediately about."

"[The retailer,] via twitter, suggested solutions and tweeted links I could follow."

The amount of time respondents spend on social channels coupled with the responsiveness of retailers to their social queries likely explains the growth in the social channel being a preferred communication method. Timing is of the essence as its performance is in the public domain which should ensure retailer monitoring.

Retailer Response to Social Media Queries

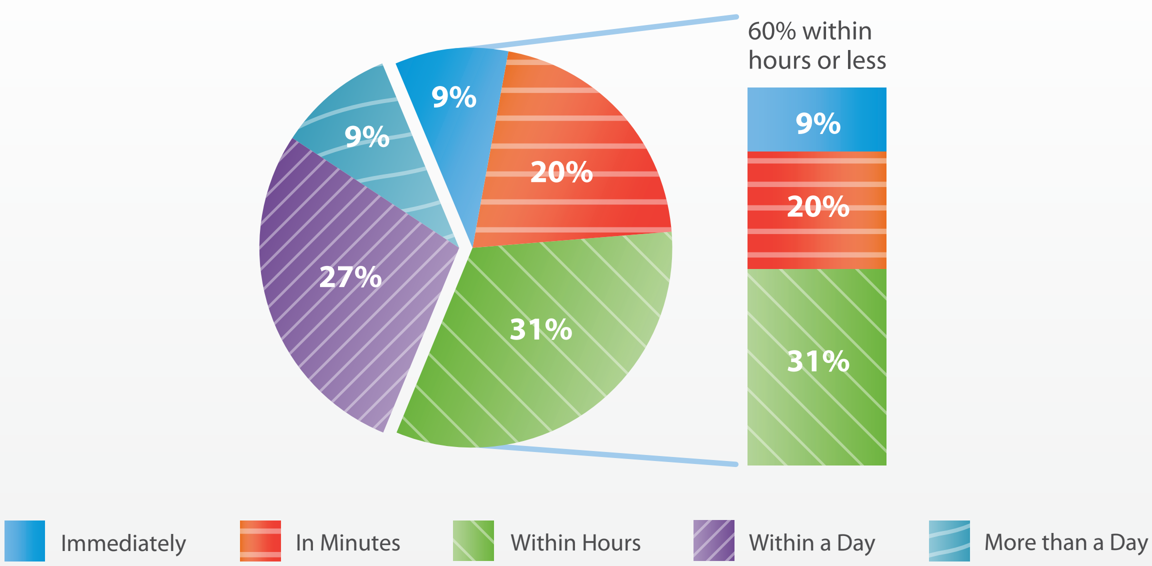

Figure 7: Retailer Response Time via Social Media

Preferred Communication Channel 2011-2013

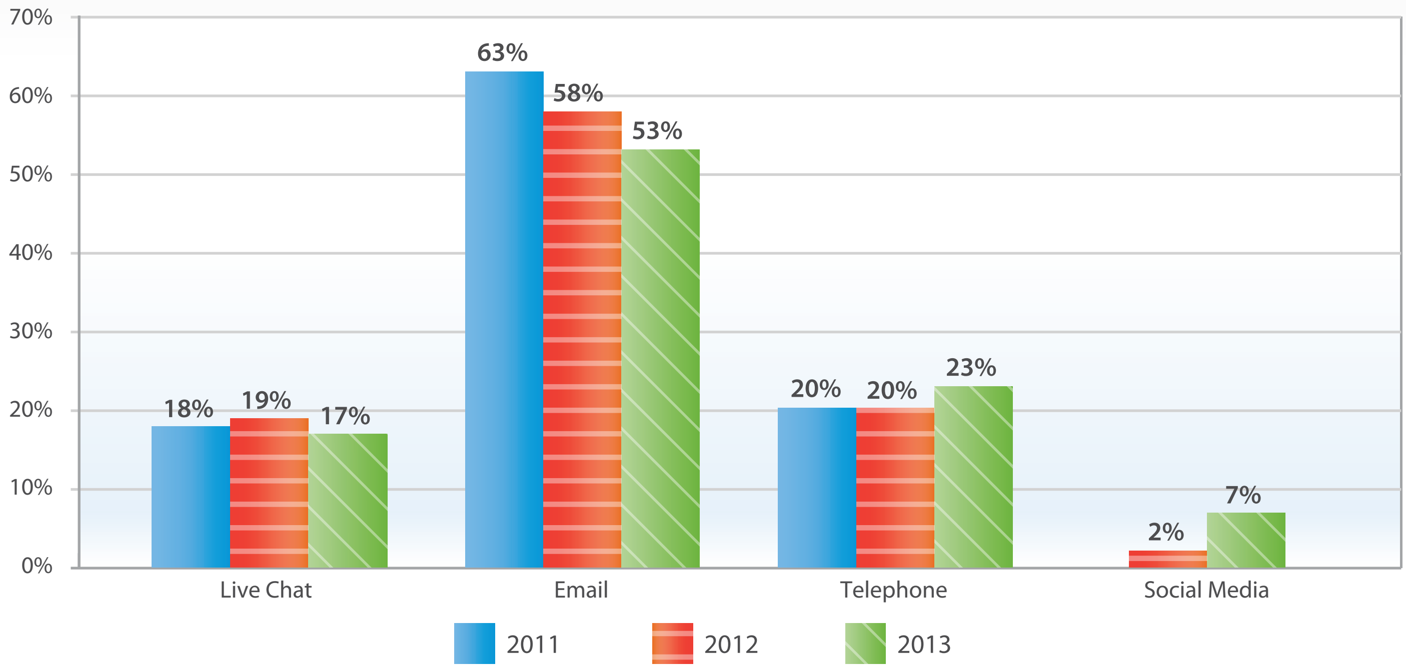

Figure 8: Preferred Communication Channel

For the past three years, all respondents are asked to simply indicate their overall preferred way to communicate with an Internet retailer and this year, those saying "Social Media" is up 225% over last year. With 7% choosing Social as their preferred communication channel with retailers, it is very likely that this figure will hit double-digits very soon – if not there already.

We asked those who chose social media as their preferred channel why they made this selection and, disappointingly, there wasn't an overwhelmingly obvious reason though all could fit under the umbrella of convenience.

Why is Social Media your preferred channel?

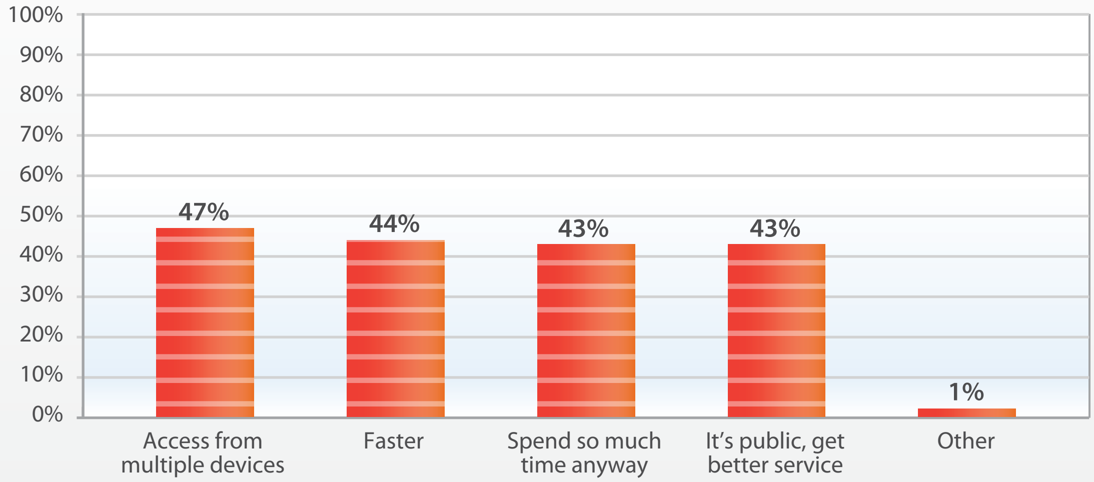

Figure 9: Why Social?

For every other channel – email, live chat, and the phone - there was a top reason which likely explains a shopper's preference, but as Figure 9 shows, nothing stands out for social media. A possible theory has to do with the demographic profile of the "social media preferrer," which skews younger.

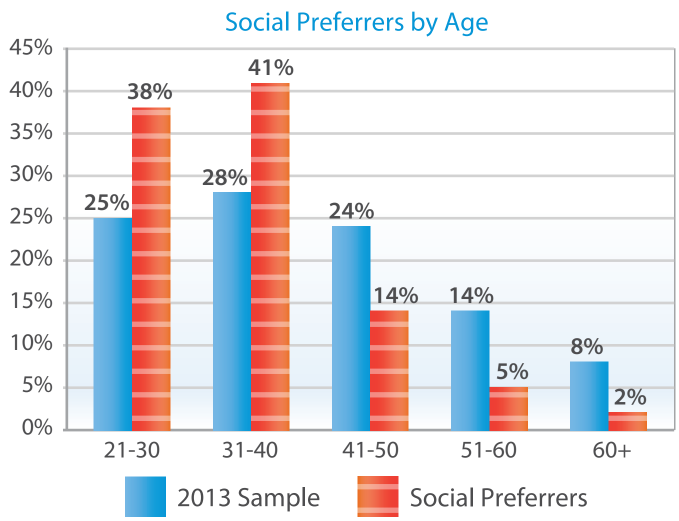

Figure 10: Social Media Preferrers by Age

Perhaps not surprisingly, the population who choose social media as their preferred way to communicate with an Internet retailer are much more likely to be aged 21-30 and 31-40 and much less likely to be older than that. Given that many younger people use social media as a matter of routine, it could simply be that the reason they prefer social media to communicate is out of a sense of normalcy.

#3: Ignore email at your own peril.

For respondents who indicated that they've never had a chat with a retailer, we asked them why they hadn't ever engaged, and the number one response, with 44% indicating the reason, was simply because they "preferred to use email." The next most popular answer only had 29% of respondents selecting it.

And even though email as a preferred communication method with retailers has declined from 63% to 53% over the years, the fact is that email remains the dominant choice among survey respondents.

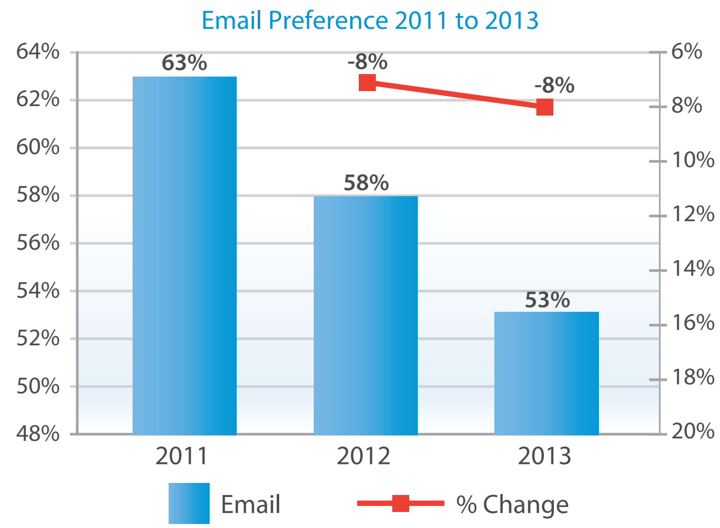

Figure 11: Email Preference 2011 to 2013

Interestingly, when the preference question is posed under a series of shopping scenarios, email – for the first time in five years of research – was selected by more respondents in each case than phone or live chat. And, if you look at the scenarios over the past five years, email has consistently been a strong performer.

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

Figure 12: Preferred Channel Under Shopping Scenarios

Email, by far, was the standout champion sweeping three scenarios completely and taking the winning title a total of 25 times over the history of this research.

We asked those who chose email as their preferred channel why they selected it and it's clear that thoroughness and ubiquity or access are the main factors.

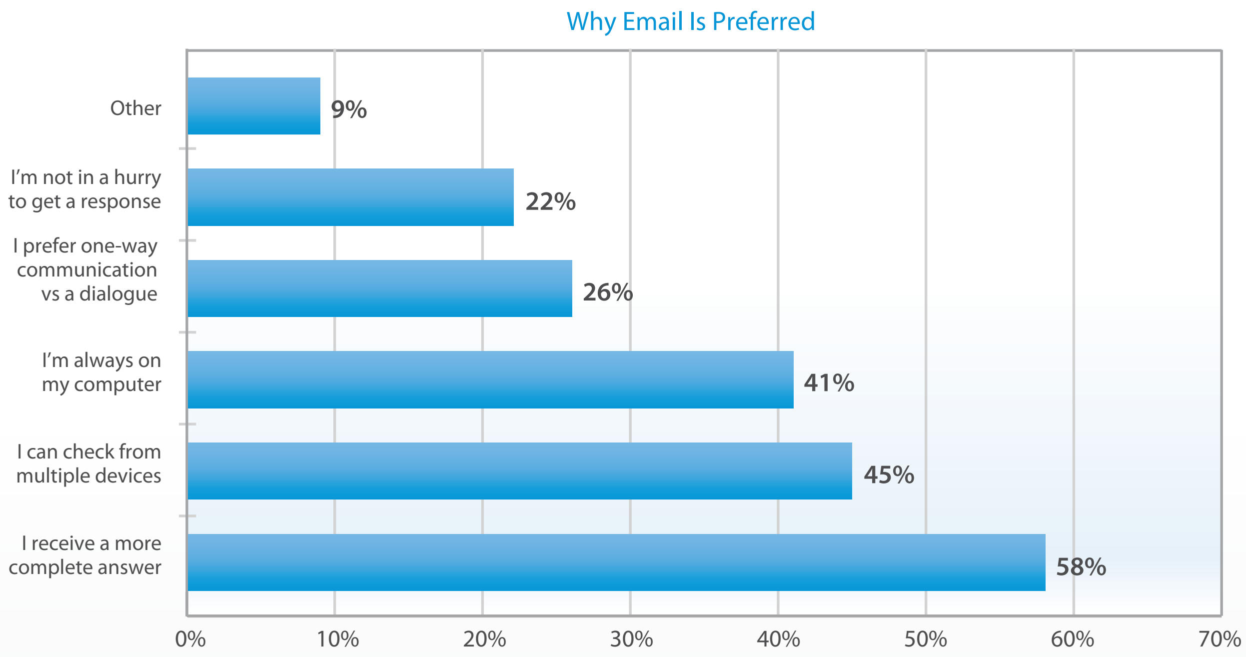

Figure 13: Why Email Is Preferred

Of note, the number one answer from the 9% of respondents who said, "other" was the ability to have a documented "paper trail" associated with the communication. Had one of the answers to this question been, "I receive a more complete and documented answer," it's likely that many from the "Other" category would have migrated in that direction.

While only 22% of those choosing email as their preferred communication method with a retailer say that one of the reasons is because they're "…not in a hurry to get a response," recall that respondents were willing to wait much longer (up to a day) for an email response.

These two factors, email's asynchronous nature coupled with the fact that more than 50% of shoppers prefer the channel, make the intentioned management of email an imperative for retailers.

#4: Live chat remains strong and continues to have loyal fans.

Across the universe, the frequency with which chatters engage with a retailer is trending up, with a quarter reporting four or more engagements in the past ninety days.

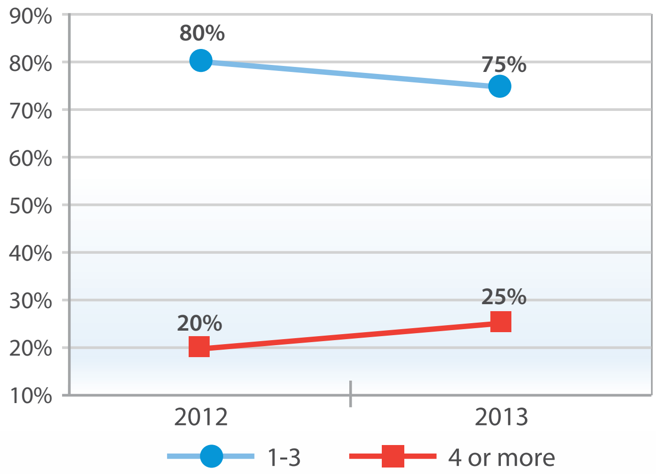

Figure 14: Chat Frequency

Interestingly, those who chose live chat as their preferred communication channel with retailers were only slightly more likely to have engaged in four or more chats in the past three months (26% vs. 25% for the entire sample.)

Since we began asking the question three years ago, the percentage of regular online shoppers who choose chat as their preferred communication method has remained essentially steady.

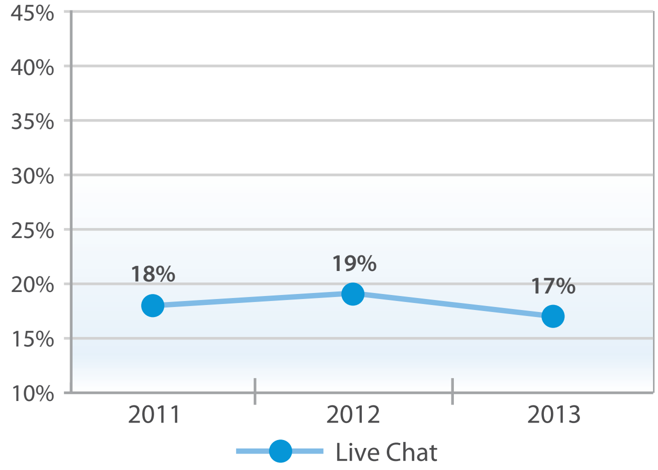

Figure 15: Percent Preferring Live Chat 2011-2013

The profile of this "live chat fan" has also remained stable over time. The nature of this profile should be kept top-of-mind for its potential value for any retailer.

- More likely to be less than 50 years of age
- More likely to be college educated
- Less likely to be from a household making $50,000/yr or less
- Far more likely to be frequent shoppers
- Far more likely to spend more per year than other shoppers
- This year, it became clear that the live chat fan is more likely to be a woman

The impact of live chat's presence on a website remains encouraging with a quarter of respondents saying that seeing live chat on an Internet retailer's site makes them more likely to purchase. Live chat fans are more influenced, with nearly half saying the same.

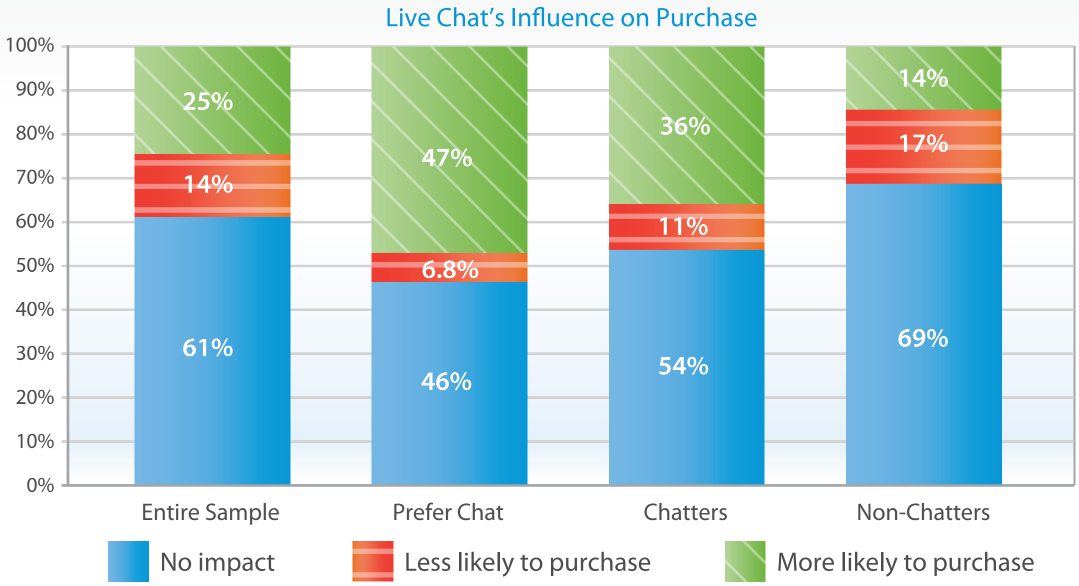

Figure 16: Live Chat's Influence on Purchase

Proactive Chat

> *Proactive chat – the practice of actively inviting website visitors into a chat interaction – enjoys continued receptivity among the survey takers.*

We ask respondents to rank the practice on a 1 to 5 scale where 1 is "annoyed", and 5 is "glad to know help is available." Those choosing 3, 4, or 5, are judged to be receptive to the practice.

This year we also asked about a particular proactive technology employed by some live chat providers. We know from previous surveys that one of the practices that can drive someone away from a website is an invitation that "interfered with their shopping." We showed the respondents a video of such an invite and then repeated our receptivity question. Not surprisingly, this type of invite is received more negatively as can be seen by the skewing of the "forced invite" line in Figure 18. While 19%

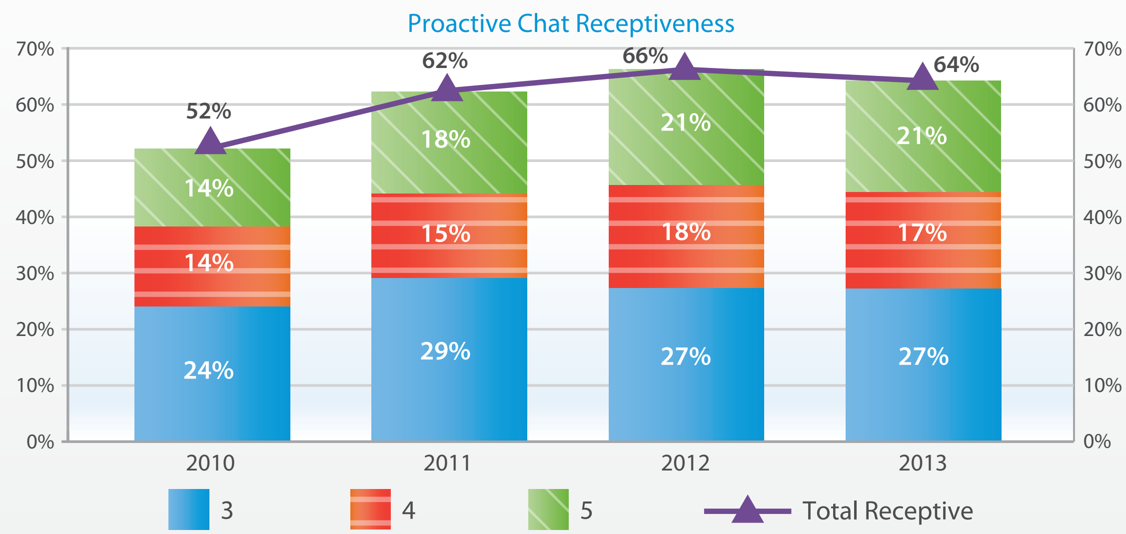

Figure 17: Proactive Chat Receptiveness

are strongly annoyed with invitations in general, 25% are annoyed with invitations that essentially interrupt their shopping.

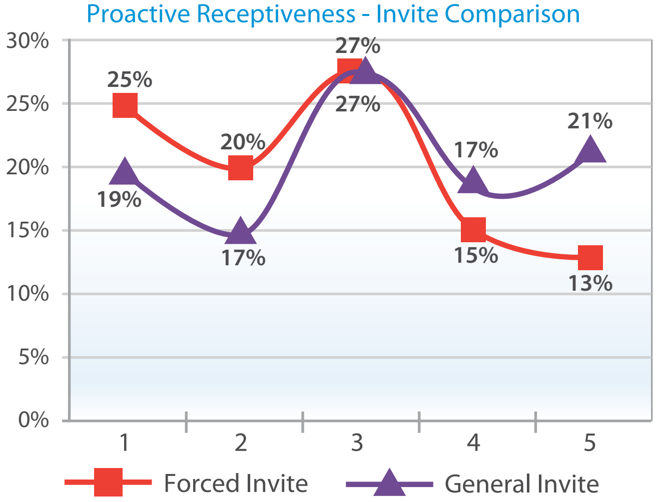

Figure 18: Proactive Chat Receptiveness

Of those who have ever accepted an invite, (52% and flat compared to 2012), the vast majority of them (89%) are either somewhat or very satisfied with the resultant chat conversation. Interestingly, we learned that the practice of inviting website visitors can impact the visitor's expectations of the subsequent chat, making their satisfaction score even more impressive.

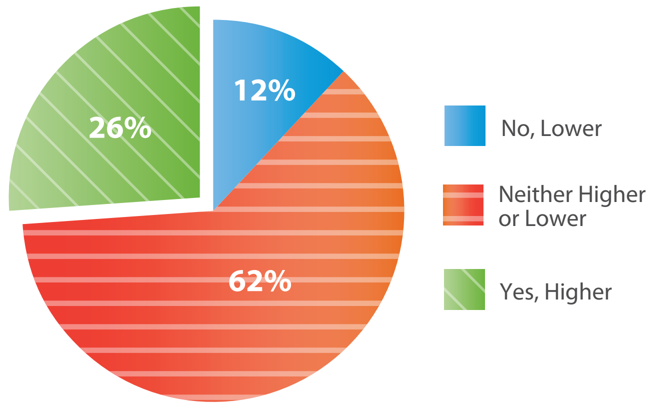

Figure 19: Expectations of Proactive Chats

This finding, combined with an increase in the number of respondents who indicate that they've left a website because of poor invitation practices (up to 32% from 20% last year) tells Internet retailers a cautionary tale about proactive chat. We know that proactive chat works – visitors engaging in proactive chats are eight times more likely to buy than regular website visitors[2] – but doing proactive chat right takes a focused or strategic effort and continual measurement.

Live Chat Best Practices

In addition to asking about the factors that make a chat session successful, we expanded our line of questioning in order to gauge shopper opinion about what kind of inquiries they expect to see handled through chat, when they want chat available, and aesthetic preferences regarding chat button design and placement.

Consistent with past years, we learned that the factors most critical to someone judging a chat session a success is the knowledge and speed of the agent – and a human agent at that.

2. *Live Chat Performance Benchmarks: A Statistical Analysis, 2012, LogMeIn*

Factors for Chat Session Success (% Saying Important)

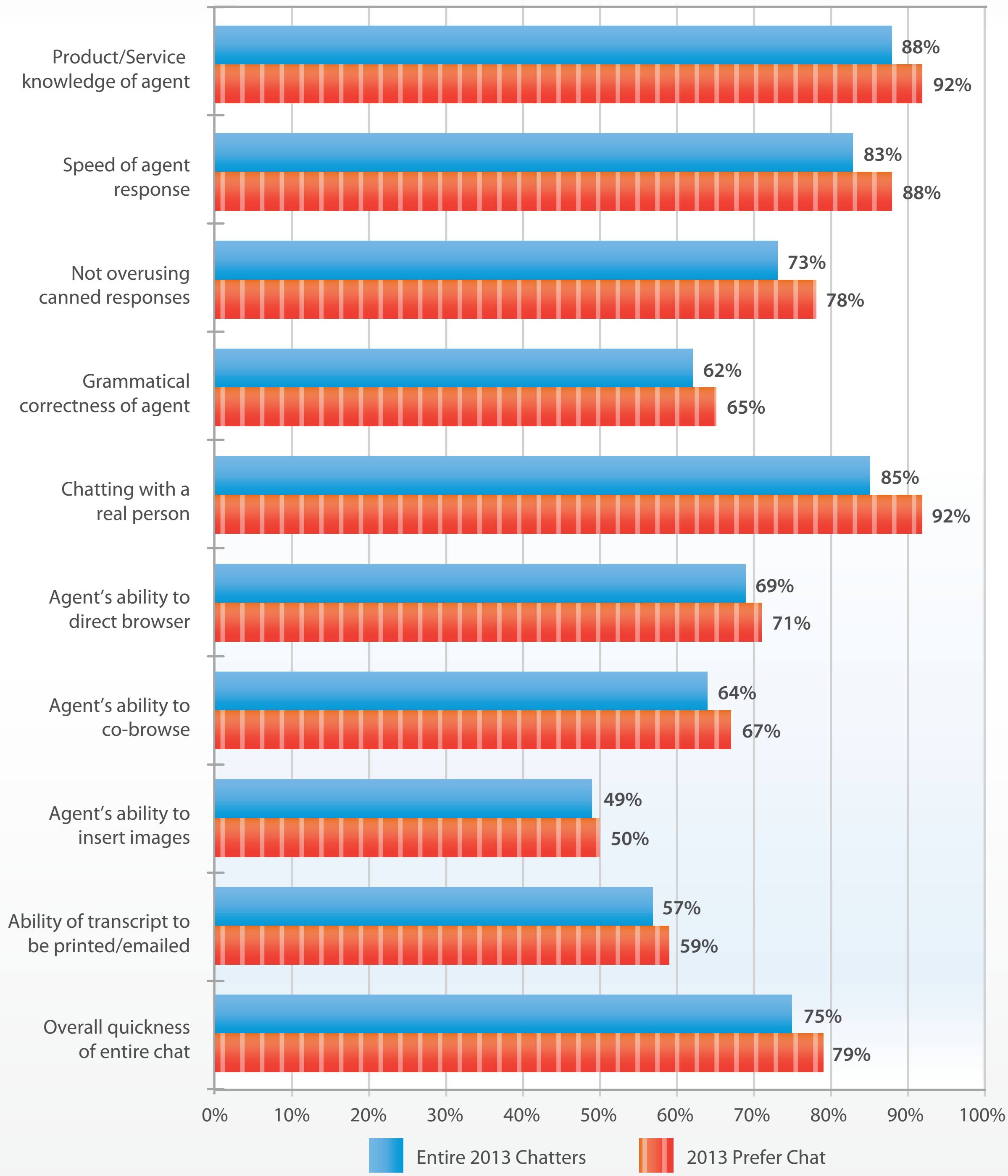

Figure 20: Chat Session Success Factors

Those who've engaged in a chat before (Chatters) and those who prefer chat have nearly identical responses; it's the live chat fans who are more vigorous in their endorsement.

For those communicating via chat before with an Internet retailer, we asked if they could recall any in particular. Seventy percent could not recall a recently memorable interaction. Twenty percent reported that they could recall a recent interaction that was memorable because it was good, and ten percent said it was memorable because it was bad.

In reviewing respondents' comments about these interactions, the importance of product and service knowledge detailed above can be seen clearly.

"Employee was extremely helpful and knowledgeable about what I was looking for and what was available on the site."

"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."

"The person I was chatting to was friendly, but quick with his responses and able to answer all my questions."

"The person I was chatting with could not answer my questions and told me that I should call to get answers to my queries so it was totally pointless having an online chat."

We asked what kinds of questions agents should be able to answer through chat and we again see the importance of product knowledge for chat agents with "Product Details" being the #1 question category with 63% of respondents indicating that chat agents should be able to respond to queries of that type.

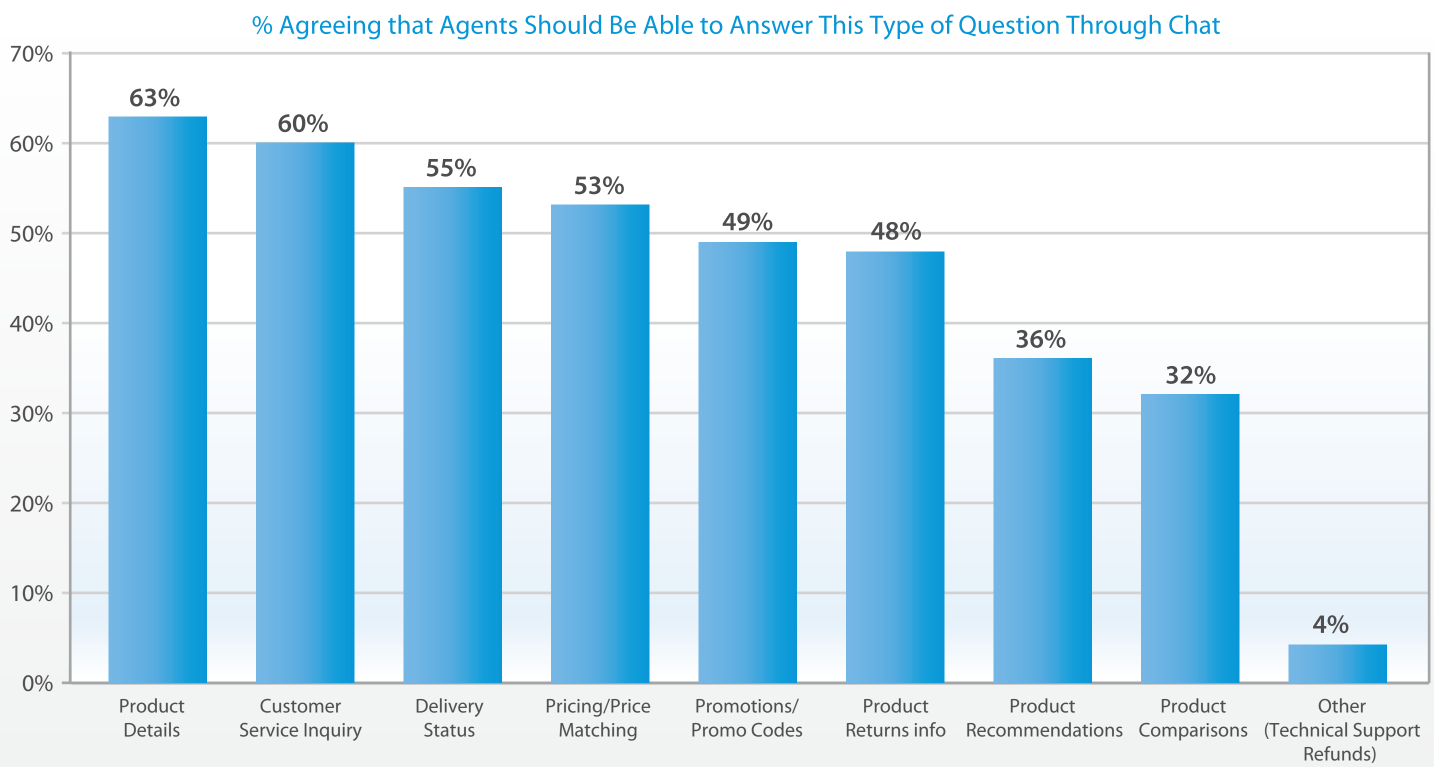

Figure 21: Questions Agents Should Be Able to Answer by Chat

Many companies wrestle with whether or not to make chat available on a 24X7 basis. We asked respondents how important it was for chat to be available at different times.

Chat Availability

Availability	Important
24/7	77%
Weekday Hours (8 to 5)	83%
Weekday Extended (5 to 10)	**84%**
Weekend Day Hours (8 to 5)	**84%**
Weekend Extended (5 to 10)	79%

Figure 22: Chat Availability

While 77% of the sample did say that round-the-clock availability was important, far more say that making chat available on weekdays after work hours and on weekend days is important. That this coincides with "regular" shopping hours is likely no accident.

We asked respondents to rank order two aesthetic aspects for live chat – button location and button design. Each rank position was worth a certain number of points, with the first place ranking obviously being worth more than subsequent positions. We calculated the results based on the percentage of the total points won for each choice.

Below you can see the same visual prompt that survey takers did with four different button locations being shown on a fictional eCommerce website.

Chat Button Placement

Figure 23: Chat Button Placement

Button location A, in the upper right hand corner, was the clear winner gaining 32% of all the possible points. All other locations essentially tied for second place, each receiving 22% or 23% of the points.

Respondents were presented with four different chat button designs and asked to choose the one they'd be most likely to click on to initiate a chat.

Chat Buttons

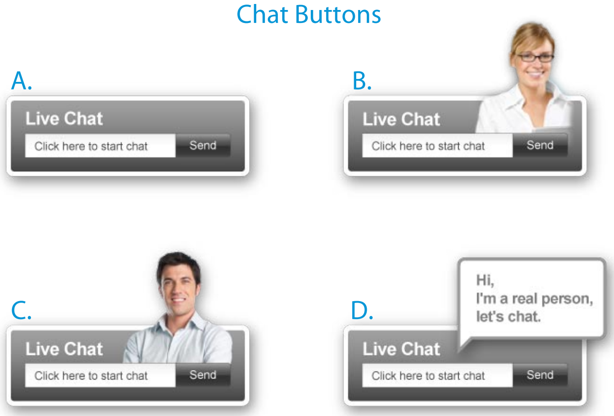

Figure 24: Chat Buttons

We wanted to remove color from the equation which is why all the buttons are grey. Chat button B, the button with the image of the woman, was the button that received more points than any other button. By a statistically significant margin, button B is the most preferred. The remaining buttons had no meaningful statistical difference between their rankings. Button B is also statistically the winner among all sub-groupings and no sub-group is statistically more or less likely to prefer button B. Men and women are just as likely to prefer it as are respondents from the United States and Mexico, for example.

And while geography played no role in this particular question, as it turns out, it is a significant factor across the result set.

#5: Geography matters.

We know from the previous two Live Chat Effectiveness reports that at least one geography, the UK, has a different relationship with live chat technology. This year, Live Chat Effectiveness takes an even broader global look and the results are fascinating. The penetration of live chat, its preference, shoppers' reactions to proactive chat, and its influence over purchase behavior are all noticeably different across the geographies we surveyed.

For four years in a row, the percentage of shoppers reporting that they had ever engaged in a live chat session with a retailer was steadily climbing. This trend ended in 2013 owing, assuredly, to geographic differences as many continue to trail in technology adoption.

Have You Ever Engaged in a Live Chat?

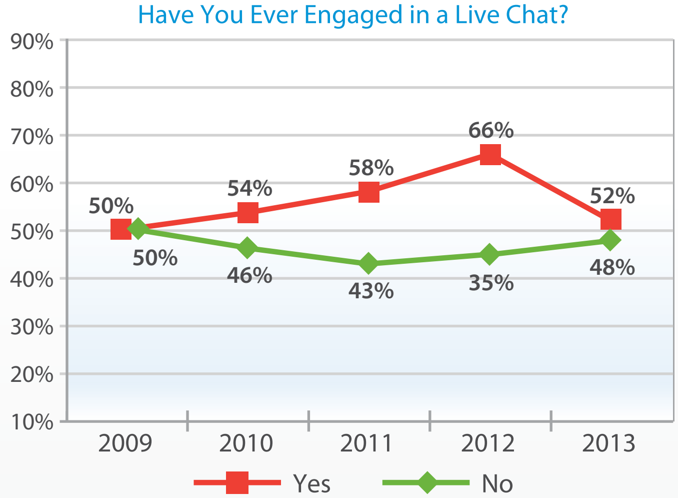

Figure 25: Chat Usage

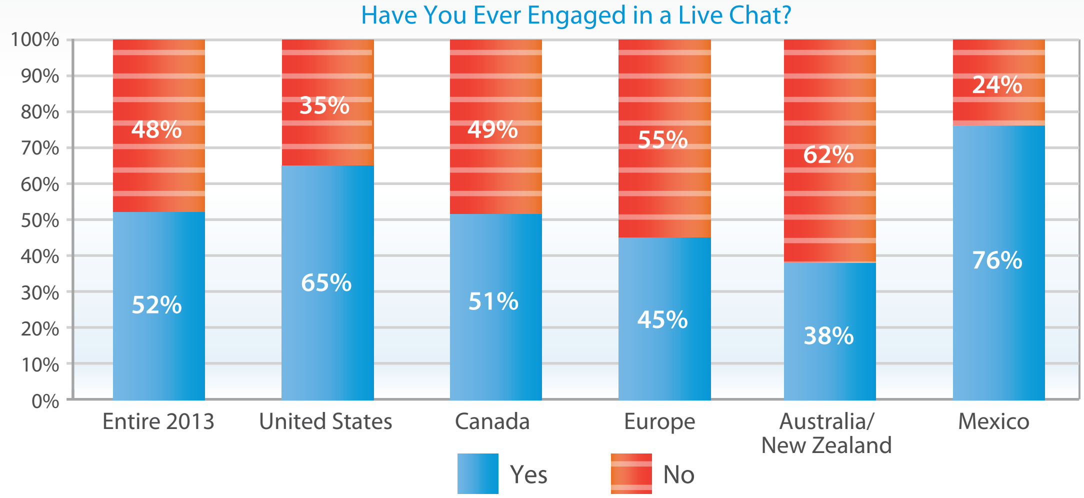

Figure 26: Chat Usage (by Geography)

Looking at the same question by geographic grouping explains the data and presents an interesting global view of the opportunity for live chat. While three quarters of Mexico's regular Internet shoppers and nearly two thirds of America's have chatted with an Internet retailer, only 38% in Australia/New Zealand, and just 45% in Europe had done the same.

Even more interesting is how the different geographies responded to the question about a generally preferred communication channel with retailers.

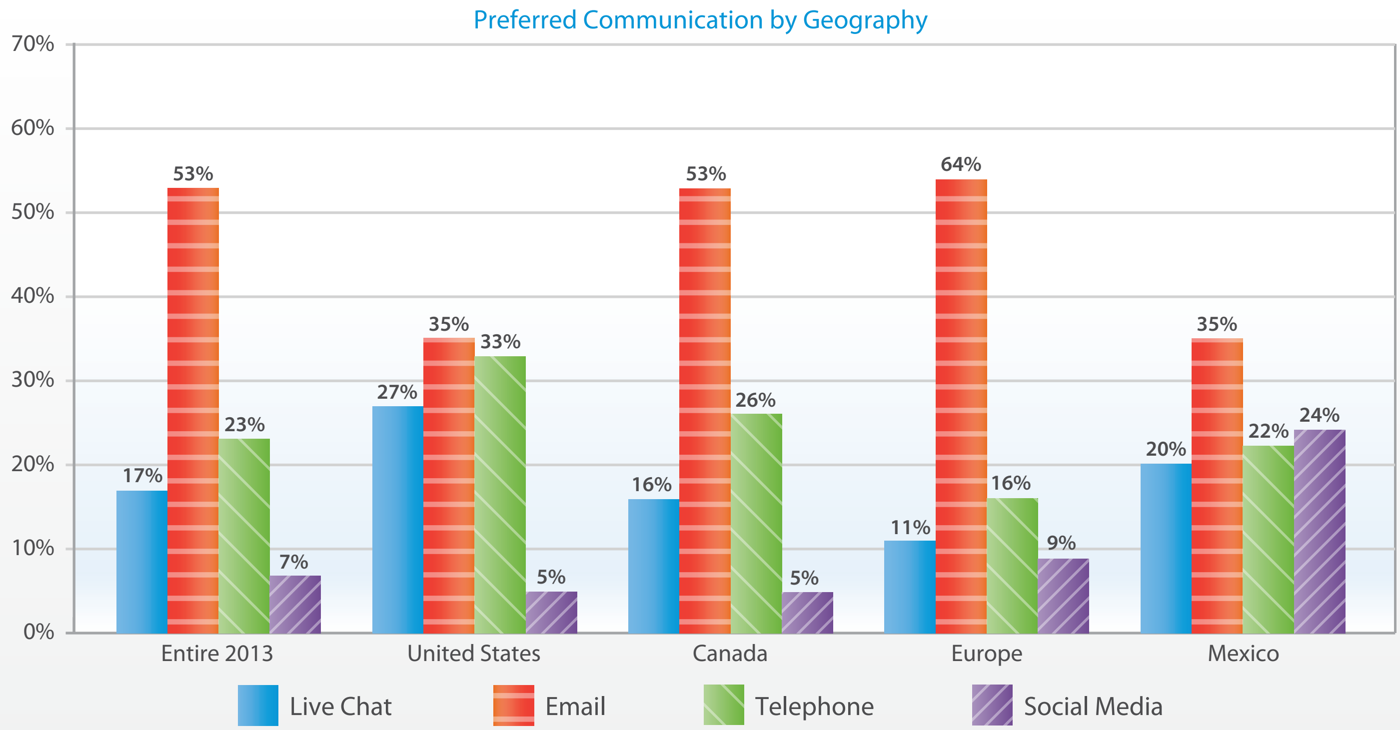

Figure 27: Preferred Communication Channel (by Geography)

Retailers with global businesses should pay careful attention to this data as there are significant differences among the geographies with regard to channel preference - significant enough, perhaps, to have operational consequences.

While email, for example, is a preferred communication method for about half the total sample, it is far more preferred in Europe. The United States and Mexico have a more equitable preference for email, the phone, and live chat. Mexico is similar in its channel preference equitability, including 24% of respondents saying that social media is their preferred way to communicate with a retailer. This finding isn't as shocking as it may seem given the slightly younger audience that was surveyed in Mexico. That fact, combined with a decent smart phone penetration rate, likely explains why the younger and more frequent shopper in Mexico relies on social channels.

It could be this same phenomenon responsible for Mexico's above average receptiveness to being proactively invited to chat.

There are some meaningful differences across the globe when it comes to proactive inviting and this finding should encourage proactive practitioners to consider using proactive chat rules that are different based on the geographic region of the visitor.

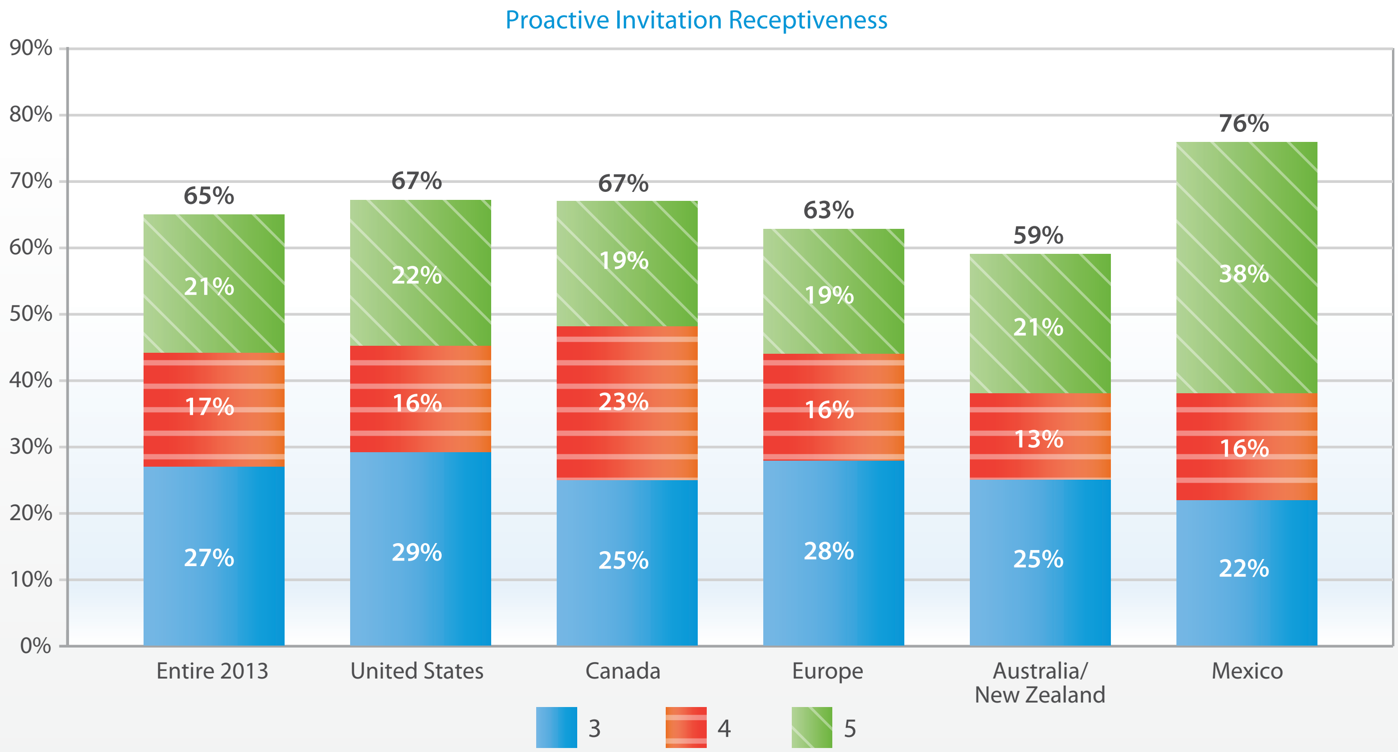

Figure 28: Proactive Chat Receptiveness (by Geography)

Similarly, the presence of chat on an Internet retailer's website is viewed with some differences depending on the region.

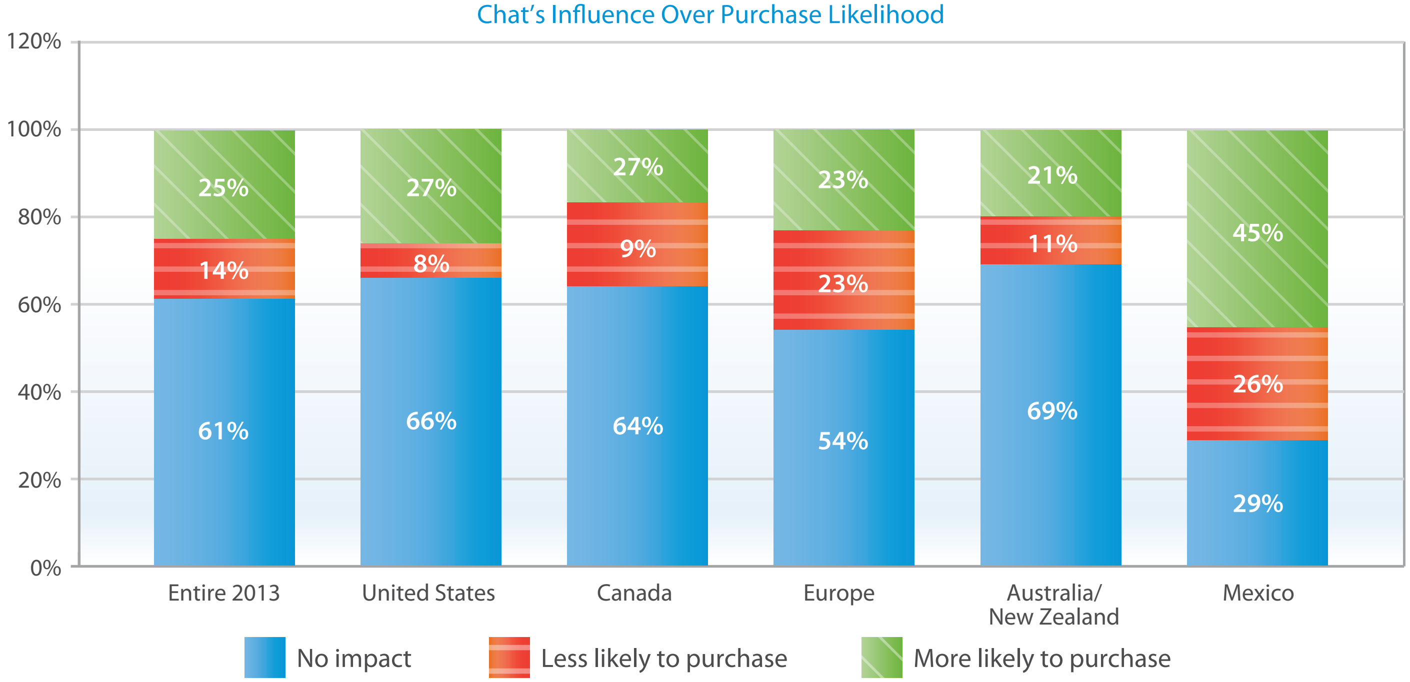

Figure 29: Chat's Influence over Purchase (by Geography)

In Europe, the presence of chat has an equal chance to make the shopper more or less likely to buy which certainly points to the need for careful and well thought out deployment in that geography. Mexico, likely again owing to the somewhat younger audience that was surveyed, is much more likely to be positively influenced by chat's presence.

Recommendations And Next Steps

In last year's edition of this study, we recommend further analysis into the email channel, additional insights into proactive chat, and a broadening of the sample to include a more global analysis. The findings presented here certainly accomplished those goals but, and as with any research project, it begs more questions. While there will not be a Live Chat Effectiveness 2014 version we do intend to continue our use of primary research to help practitioners of technologies like live chat to be more successful in connecting with their online customers. As such, we hope that primary research studies like this can help to uncover information regarding:

- Embracing and optimizing all communication channels, especially considering many customers' penchant for using multiple channels at once about the same issue.
- Evolving trends in chat on a global basis
- Exemplary practices for interacting with consumers across any channel
- Monitoring consumer preferences along with a predisposition to testing new channels

One thing is certainly clear from all five years of this research combined – sales and customer service isn't standing still. Its dynamic nature and high velocity require retailers to be ever vigilant in order to maintain standards of excellence.

BOLDCHAT

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