

CHAT WITH THE CHATTERS: WHY CONSUMERS CHOOSE TO CHAT WITH RETAILERS

By Lauren Freedman,
President
the e-tailing group

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I. CHATTER BACKGROUND

Having had the good fortune to work with BoldChat over the past few years, my appreciation for live chat technology and its power to convert, acquire, and satisfy shoppers has grown exponentially with each project.

In 2Q12, the e-tailing group and BoldChat once again worked in tandem, contributing to their fourth annual *Live Chat Effectiveness Study*. Findings from that study paralleled our *Chat with the Chatters* field research. Combined with its efficiency and consumer control, one message in particular stood out and that was the multi-faceted nature of chat and its ability to help consumers get what they want under a vast number of scenarios.

Wanting to explore this topic in greater depth, we extracted all of the Chicagoland area consumers from the 2,000+ online survey participants. Each of these individuals was then interviewed as a potential candidate for a video series focused on their sentiments surrounding chat. While one can certainly learn a great deal from quantitative surveys, the real “voice of the customer” is always missing. After our preliminary 20 minute interviews we already felt like we had a better understanding of the “chatter” mindset. From there we narrowed the field from 35 candidates to 15 who we would videotape in order to capture that “real pulse” via a more in-depth discussion. A mix of men and women ages 25-65 were selected to ensure covering key demographic bases. Some were new to live chat while others were seasoned users, chatting multiple times a week to solve problems, ask questions and more effectively navigate the web to address their shopping issues.

As discussed in detail in this white paper, consumer rationale for using chat is multi-faceted. The interviewees’ valuable perspective will be integrated as part of the six core reasons that serve as the framework and underlying reasons why consumers choose to chat. We hope that sharing their voice will give you a greater understanding of the “who, what, where and why” consumers gravitate to chat whether for problem solving, seeking answers to product and service-oriented questions or avoiding the unwieldy nature of other customer service options. We explored under what circumstances they happen to chat and ultimately what level of satisfaction they glean from those chat experiences. Lastly, we examined how likely they would be to chat in the future and here their strong sentiments will surprise even the staunchest of chat supporters.

When we recently revisited the recordings of those interviewed, there were a handful of statements that resonated including that every merchant should offer live chat because when available, it is perceived to be a plus among consumers. One shopper aptly stated, “I never know when I’m going to have a question or if I do have a problem, the first thing I look for is live chat.” These consumers also suggested that they would like to see live chat universally accessible at retailers that are among their mainstay online shopping sources. As live chat continues to grow into the preferred way to interact with companies we believe its presence will be mandated by consumers where omnipresent positioning is inevitable.

II. THE MERCHANT PERSPECTIVE

Mystery Shopping Highlights

Before we share our consumer analysis, a two-pronged approach which puts forth the merchant perspective is warranted based on the e-tailing group's dual research efforts that include live chat. First, our *Annual Mystery Shopping Survey* revealed which of the 100 merchants (EG100) studied are incorporating live chat (both reactively and proactively) into the customer experience.

Our 4Q11 study found incremental gains in the presence of chat (now being deployed on 47% of the EG100, up from 43% in 2010) though still not being adopted relative to the consumer's heightened interest or expectations. Most merchants (82%) answered the question posed. The fact that on average consumers spent more than six minutes to secure an answer to a question is powerful and a reason many choose this route. From a quantitative perspective, experiences remained consistent with quality ranking 2.28 out of a possible 3, often cited by consumers we interviewed among their top reasons for gravitating to chat.

FEATURE	E-TAILING GROUP 100 4Q11	E-TAILING GROUP 100 4Q10
	% Penetration	% Penetration
Click to chat available	47%	43%
Average time to chat	6.38 minutes (45 sites)	6.79 minutes (42 sites)
Did they answer the question?	82% (45 sites)	86% (42 sites)
Did they try to close the sale?	9% (45 sites)	7% (42 sites)
Quality of service received (1-3 where 3=best)	2.28 (45 sites)	2.34 (42 sites)
Proactive chat	21%	12%
Average time to chat	6.67 minutes (21 sites)	7.18 minutes (11 sites)
Did they answer the question?	90% (21 sites)	91% (11 sites)

Proactively, the number of merchants deploying chat rose from 12% to 21% year-over-year and a comparable chat time of 6.67 minutes was experienced where 90% answered the posed question. We also inquired about proactive chat during our interviews. Though present on fewer sites, most had still encountered it while shopping. Consumer sentiment was mixed where some preferred not to have chat in their face and felt like they were being "watched" though acknowledged that they might indeed use it should the need arise. Much of the discussion was around timing as interest was piqued if they were teetering on asking a question and clearly found it convenient despite the occasional annoyance. Many reflected that most importantly with chat, they sense that service is available when and if they need it as one shared, "Chat is there for anything I need and I'm happy to know someone's there to help me."

Annual Merchant Survey Results

For the past 11 years, we have also conducted an *Annual Merchant Survey*, most recently completed by 150 merchants in 1Q12. When assessing features that best deliver ROI, live chat was #2 when you look at year over year change, jumping an impressive 15 percentage points from 59% to 74%. It is significant to see these numbers rise in value as they indicate that chat may have truly hit its stride.

All Features High to Low %	Top-3 2012	Top-3 2011	+/-%	All Features High to Low %	Top-3 2012	Top-3 2011	+/-%
Top rated	87%	na	na	Gift center/Gift suggestions	75%	73%	2%
"Like" on Facebook	81%	na	na	Recently viewed	75%	73%	2%
Social log-in	56%	na	na	In-store pick up and/or returns	45%	43%	2%
fCommerce	51%	na	na	Seasonal promotions	94%	92%	2%
Mobile commerce	85%	68%	17%	Sharing via social networking	87%	86%	1%
Live chat	74%	59%	15%	Quick view	73%	72%	1%
Frequent buyer programs	68%	56%	12%	As advertised/As seen in	58%	57%	1%
Zoom	92%	81%	11%	Sales/Specials	95%	95%	0%
Video	86%	75%	11%	Free shipping - unconditional	69%	69%	0%
In-store product locator or look-up	41%	33%	8%	Interactive tools	65%	65%	0%
Mobile applications	68%	61%	7%	Keyword search	98%	99%	-1%
Color change	72%	65%	7%	Email as a merchandising vehicle	94%	96%	-2%
Create your own custom or personalized products	55%	50%	5%	Top sellers	90%	92%	-2%
Alternate views	90%	86%	4%	Up-sells	90%	92%	-2%
Category content	87%	83%	4%	Coupons/Rebates	84%	86%	-2%
Alternative or deferred payment	78%	74%	4%	Facebook page	84%	86%	-2%
Blogs	78%	74%	4%	What's new	93%	96%	-3%
Gift certificates/Cards via mail	67%	63%	4%	Search landing pages that are merchandised	87%	90%	-3%
Shop by outfit/Shop by solution /View in a room	52%	48%	4%	Promotional incentives to buy	73%	76%	-3%
Product ratings and reviews	91%	88%	3%	Cross-sells	92%	96%	-4%
Gift certificates/Card via email	67%	64%	3%	Guided/Faceted navigation	87%	91%	-4%
Product comparisons	66%	63%	3%	Limited hour promotions	52%	58%	-6%
Gift/Wedding registry	36%	33%	3%	Advanced search	82%	88%	-6%
Free shipping - conditional	89%	87%	2%	Wish lists	61%	68%	-7%
Exclusives	85%	83%	2%	Twitter marketing	60%	72%	-12%

Additionally 44% of merchants scored live chat as most/somewhat important when rating their top marketing and customer service tactics. More universal deployment should be on the horizon.

III. CHAT WITH THE CHATTERS: WHY CONSUMERS CHOOSE TO CHAT WITH RETAILERS

Out of the many notable things that chatters told us, we have delineated their thoughts and words into six distinct fundamentals for why consumers gravitate to chat. Although there were numerous other tangents, these broader statements effectively accommodate the majority to serve as a solid framework for our findings.

While chat may not often be a mandatory pre-requisite for shopping a store, consumers definitely take advantage of it when retailers make it available. Seasonality can be a factor for some shoppers as its usage is directly related to the volume of spending with increases reported during the holiday season.

Consumers reported finding chat among both big and small companies. The stores where these shoppers take advantage of chat include services such as Verizon and Comcast as well as more traditional retailers and manufacturers ranging from Amazon to Best Buy, Sears, Lexmark and too many others to list.

As social plays a greater role in the lives of consumers, we inquired about shoppers use of social media as part of their buying experience. While only a handful of our interviewees use social means to interact with and seek support, those who do have been pleasantly surprised with the responses received from the merchants and overall pleased with their experiences.

Where Consumers Want Chat

There are a number of potential onsite locations where live chat can reside though shoppers often prefer to see live chat everywhere. This is consistent with our *Live Chat Effectiveness* findings where 90% of participants want it universally available on the site. The following list of needs and preferred positioning provide insight into desired locations.

NEED	POSITIONING
Chat critical to shopper needs	Static headers with prominent and universal positioning
Standard service needs	Upper right near utilities or bottom of page near contact us
Checking out	Integrated into the checkout experience
General questions	Customer service access

#1. SHOPPERS FEEL SPECIAL AND EMPOWERED WHEN THEY USE LIVE CHAT

Not surprisingly, online shoppers are “control freaks” choosing to be in the driver’s seat over their interactions. With such a mentality, several expressed feeling important, special and empowered knowing that they have the ability to turn on and off live chat. One man who spoke mostly about his business needs was emphatic, “I simply need to be in control particularly as it’s for my business.” Strong feelings were expressed that shoppers could turn to chat to solve a problem and seek help on their own terms. One active shopper reinforced her reason for using chat, “I like knowing that I can turn chat on and off on my terms.” Additionally, knowing that one’s problems or questions matter and that help is conveniently available is significant for many of the shoppers we interviewed.

#2. SHOPPERS CAN MULTI-TASK WHEN CHATTING

Busy online shoppers embrace technology that saves them time; freeing them up to accomplish things they might prefer doing at any given moment. Live chat uniquely puts shoppers in a position to problem solve while still focusing on other tasks at hand. Not having to leave their PCs or pick up the phone, especially in a work environment, were salient reasons given to favor chat.

Even when there might be a queue on live chat these shoppers are content to do other things. This coupled with a lack of interruptions makes for a more productive experience all around. My favorite multi-tasking commentary included “I’m multi-tasking so it’s helpful when I’ve been invited to chat that I can close out the chat box while I complete other tasks.” A technology devotee reported spending significant time to solve problems and “never minded as he knew he could multi-task” on his own terms when chatting. Being a control freak another savvy shopper referenced not wanting to be bothered until she had a question. Like others her sentiments are reflected across more than one reason shoppers choose chat.

#3. CHAT IS ALL ABOUT INSTANT GRATIFICATION; GETTING QUESTIONS ANSWERED IN A TIMELY FASHION

The nature of the omni-channel customer is all about quicker and faster. For those seeking 24X7 access, live chat is hard to beat. These shoppers seek immediate answers to any and all questions. As one woman summed it up, “I get it done in 5 minutes versus having to call or go to a store.” Of course, interviewees did spend 30 minutes or more with issues related to tech support yet even that was acceptable. The ability to get to the point relative to one’s specific needs with a retailer was second to none coupled with efficiently getting issues resolved. Part of that efficiency stems from chat being perceived as a very clear and concise form of communication. The perception is it is simpler and easier to get things accomplished versus talking. One shopper even compared chat to texting as he likes the ability to get an immediate answer without a long conversation.

Getting to the specifics immediately is desirable for shoppers who relish not being stuck with generic answers whether one has a product question or a faulty promotion code not being accepted on the site. Shoppers report that agents get right to the point, serve up straight answers to questions and facilitate receiving the information one needs. Shoppers also find that making product choices is quicker when a chat has been initiated including receiving links to recommended products or queries; validating selections and giving customers more confidence in their purchases. Ultimately, the less time spent dealing with specific issues means more time for shoppers to do something else of their choosing.

#4. CHAT IS WELL EQUIPPED TO ADDRESS ISSUES FROM SIMPLE SERVICE QUESTIONS TO COMPLEX PRODUCT QUERIES

While speed and efficiency undoubtedly appeal to shoppers, their ability to utilize live chat for almost every issue imaginable cannot be under-estimated. From basic service concerns to questions on the most complex of products including high ticket merchandise, all seem to be fair game for consumers. We asked interviewees an open ended question about how they like to use live chat. To provide a bit of color commentary, we have separated the myriad of chat interaction types they mentioned into pre-buy elements and post-order support demands. Looking back at our *Live Chat Effectiveness Study*, 52% of those surveyed inquired about product information before purchase and 21% directed their queries to post-support, and these findings are very much in line with the feedback from the chatters themselves.

Pre-order benefits are multi-fold as the information gathered upfront not only answers a question but saves having to return products. Alternatively, post-order lends itself to a whole other set of questions but can be just as valuable for time-saving. Queries might seek general information but also serve shoppers well for specifics regarding order processing challenges, returns and even post-purchase support.

PRE-BUY POINT-OF-PURCHASE CHAT SCENARIOS	POST PURCHASE CHAT SCENARIOS
<p>Information</p> <ul style="list-style-type: none"> ➤ Secure additional information about any given product ➤ Guide customer to products of interest ➤ Clarify sizing ➤ Determine color accuracy relative to other potential choices before making a final decision <p>Query</p> <ul style="list-style-type: none"> ➤ Explore having a product bundle replaced with different items ➤ Confirm that a product is the right add-on, component or coordinating item ➤ Fish for bargains including promotion codes and free shipping ➤ Inquire about when the next sale will take place ➤ Find out if a company will match a competitor's price <p>Edit</p> <ul style="list-style-type: none"> ➤ Narrow down product specs to make the right selection ➤ Compare one product against another to aid decision-making and understand why one may be better than another <p>Inventory</p> <ul style="list-style-type: none"> ➤ Determine in-stock versus out-of-stock status ➤ Understand when and if discontinued products will be back in stock <p>Customer Service Information</p> <ul style="list-style-type: none"> ➤ Learn more about a company's policies or product warranties before doing business with them ➤ Looking to understand payment options ➤ Credit card not going through ➤ Gift card code not working 	<p>General Information</p> <ul style="list-style-type: none"> ➤ Not wanting to go through extensive policy information as it is faster to inquire via live chat ➤ Need help with an order that has already been placed ➤ Tracking shipment and respective delivery information <p>Order Processing</p> <ul style="list-style-type: none"> ➤ May have placed two orders and do not want to be charged twice ➤ Wrong information entered and want to be sure order is in the system <p>Returns</p> <ul style="list-style-type: none"> ➤ The wrong product was received and an immediate credit is sought ➤ Wrong or broken product received and one desires a replacement ➤ Looking to return unwanted merchandise without wading through pages of customer service jargon to understand the process ➤ Want to secure a return authorization without having to call the company <p>Post-Purchase Support</p> <ul style="list-style-type: none"> ➤ Just purchased a product and want to know more about how it works without having to read the manual ➤ Need further clarification about product features ➤ Product is not working as suggested and want further information

#5. CHAT ALLOWS CONSUMERS TO AVOID OTHER PAINFUL TOUCH-POINTS

The individuals that we interviewed were quick to discuss alternative touch-points they could utilize and outlined a host of reasons why chat is their preferred form of communication with the retailers they shop. They believe that responses via live chat are instantaneous versus the wait time resulting from alternative email or phone options. Its “real-time” nature resonates with time-starved shoppers, particularly in contrast to other touch-points where it may take five minutes just to get connected to a customer service representative.

Typing to communicate via live chat eliminates the challenge of understanding a representative due to location or language. Because the focus is most often on expediently providing the right answer, up-selling or directing customers to product that may not be a good fit is the exception rather than the rule. Sentiments shared included:

TOUCHPOINT	SENTIMENT
STORE	<ul style="list-style-type: none"> ➤ Don't want to waste time going to the store
PHONE	<ul style="list-style-type: none"> ➤ Don't like being on hold waiting for representative ➤ Only use the phone when angry ➤ Phone may take 10-15 minutes while live chat gets back to you right away ➤ When you're on the phone you have to pay attention all the time ➤ Find IVR prompts annoying and often end up in the wrong place ➤ Detest being transferred and frequently get cut off then have to start over once again
EMAIL	<ul style="list-style-type: none"> ➤ Goes into the “great beyond” and often never hear from the retailer ➤ Can wait days or weeks for an answer ➤ Lacks immediacy and confidence that answers will ever be received

#6. CHAT IS LIKE GOOD OLD FASHIONED CUSTOMER SERVICE

The omni-channel evolution was buttressed by sentiments of shoppers interacting with their computers who still desire to connect with the companies where they shop. Several suggested that, “chat is like having a salesperson right there when you need them, and not when you don't.” Such interactions reinforce that these retailers actually have people “behind the counter” who really know something, harkening back to a time when such knowledge was the rule of retail. This expertise in a live chat environment makes for timely decision-making and positive customer experiences without communication barriers where retention often results. Knowledge takes on many forms which for some may be a simple question or support issue, while others seek advice relative to style or sizing concerns.

Knowing how to navigate the site is valuable to secure information quickly and guide customers to the answer swiftly and smartly, another reference to service as it should be. Based on all of these types of experiences received during live chat sessions shoppers concluded that the caliber of the tech help is superior to other channels, further adding to their continued interest in chat technology.

One even quipped about, “not minding typos in chat sessions” as it lets them know that there’s a human being behind the interaction. This longing for the past, particularly in a world where we all face so much screen time, should not be taken lightly.

Shoppers are savvy. They do not like when live chat is buried so location, location, location, still merits attention. Consumers do not want to find an annoying “salesperson” on the other end of a chat session. In dialogues with the retailer they do want to be treated like an intelligent person in search of a solution. They desire that any chat situation be done well where they can get in and out quickly. Some view a chat invitation as a “shortcut to problem solving” but preference is not to be bothered until a shopper seeks out help. They are keen to avoid robot-like experiences with stock answers that fail to solve problems. Caution is advised when regurgitating useless information as it is found to be frustrating and will quickly downgrade the merchant’s reputation.

IV. THINK LIKE A SHOPPER WHEN DEPLOYING CHAT

- Test chat as part of your customer service tool box
- Review deployment destinations from universal access to more targeted locations, assessing internal resources
- Be careful not to engage in too many chats at once as shoppers can be easily frustrated
- Train chat agents to respond to questions asked where strong knowledge of the site and products is optimal
- Ensure that agents are well versed in both pre-buy and post support issues
- Deploy follow-up surveys with chat users to assess your performance and make necessary improvements
- Treat chat like good old fashioned customer service

V. ABOUT THE COMPANIES

About the e-tailing group

the e-tailing group is a niche e-commerce consultancy that helps merchants deliver the right customer experience on their websites and across all of their channels while adeptly assisting technology companies to create and execute go-to-market strategies that simultaneously educate the retail community and deliver cost-effective thought leadership and lead generation. For more background about our research or for additional information on the e-tailing group, inc. please contact Lauren Freedman via email at LF@e-tailing.com, by phone to 773-975-7280 or visit the e-tailing group website www.e-tailing.com.

About BoldChat:

BoldChat, a LogMeIn brand, is a market-leading live chat offering that enables businesses to quickly and effectively engage visitors on their websites to improve online support and increase sales. The BoldChat solution is offered in different editions and includes other integrated communications technologies like click-to-call, email management, SMS management, and co-browsing. Organizations of all sizes – from small proprietorships to large ecommerce enterprises – can drive more conversions and higher customer satisfaction by using BoldChat. Customers include The North Face, Blue Nile, Corel, Dean & DeLuca and ViewSonic. For more information, visit www.boldchat.com.

About [LogMeIn, Inc.](#)

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