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Point of View:
Let's Chat- Key Considerations When Implementing Chat in Your Contact Center

Key Considerations When Implementing Chat In Your Contact Center

You've likely seen them when searching the Web or viewing retail and tech websites...those ever-so-common Chat icons that dance across the screen or appear in easy-to-see locations on key Web pages. And, chances are you've used Chat and found it to be a convenient service channel.

Widespread Use of Chat

With Chat becoming ubiquitous across the Web, management will invariably spend time discussing the merits of adding Chat to their customer contact channels. For example, Chat offers:

- Real-time connection to customers; questions answered and issues resolved in real time
- Typing as the growing, preferred method of communication
- Integration into customer relationship management systems; chat history/chat logs

For many financial institutions, Live Chat functionality may already be part of the phone system or is offered by their telecom vendor for a nominal cost, so the upfront capital outlay may be minimal.

When opening any new channel, it's important for management to fully understand the impacts to the bottom line and brand. As with all product decisions, there are factors that need to be taken into account before implementation. In this paper, we have highlighted what we feel is important when considering the implementation of Chat in your Contact Center.

Chats Are Protracted

First and foremost, Chat engagements are not brief. On average, chat sessions with a customer will take 9-11 minutes, compared to a 3-5 minute inbound phone call.[1] While both examples have agents engaged directly with a customer, a chat session differs from an inbound call in several key ways:

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[1] Advisors **Plus®** Proprietary Call Center Metric Database

- The customer controls the Chat session's length. Their slow typing can be an issue, but distractions delaying their replies are most problematic—the customer is engaged with other work, the boss walks in, the kids start screaming, etc. With a phone call, these events would shorten the call; with Chat they lengthen it.

- Like inbound calls, there's a specific Chat service expectation. Customers anticipate an immediate response from the agent, even though the customer's reply may be considerably delayed. Therefore, your agent has to remain focused on the Chat session without becoming too involved in other tasks. Agents must respond quickly, otherwise service perception will falter.

- At 2-3 times your average call length, the Chat session becomes a very expensive engagement. Call costs average $3 to $6 per call, translating into Chat sessions costing $6 to $18 per engagement. Factor in the lost opportunity cost of that agent sitting idle waiting for a customer Chat reply, and costs climb even higher.

- Chat can reduce your e-mail volumes, especially if Chat is accessible within your Home Banking application. E-mailers will migrate to Chat if it's available, however it moves your action from a delayed, "do it when there is time" response with e-mail to immediate action with Chat.

- Finally, Chat doesn't necessarily decrease call volumes. Chat is simply another channel; those calling in will not necessarily migrate to chat, and "chatters" may have never called in. Expect every chat to be a net new real-time engagement with resulting increased cost.

The usual counterpoint to these issues is that Chat allows agents to engage in concurrent sessions with multiple customers, making them ultra-productive and bringing engagement costs in line with inbound calls.

However for the average financial institution, chat is a low-volume channel that precludes concurrent sessions. Typically, we see Chat volume averaging one to two percent of total inbound call volume. For a Contact Center receiving 25,000 inbound calls monthly, there would correspondingly be only 250-500 chats. If the center is open for 9 hours daily and 4 hours on Saturday, the Chat volume would average a little more than 1-3 per open hour.

With these impacts recognized, it may still be sensible to move forward with Chat. It can certainly be a great channel, especially if you have overseas customers, a younger demographic or your customers are technologically astute with a desire for the channel.

First Steps in Chat

If management decides to proceed with Chat, we recommend initially developing a deployment strategy with the following considerations:

- Display the Chat icon deeper in your website, not directly on the homepage. With Chat length significantly greater than a call, allowing access on your homepage can create avoidable expense as noncustomers and customers alike shortcut searching and inquire about basic services that can be more quickly answered via a phone call.

- A key purpose of your website is to encourage viewers to explore and become familiar with your financial institution and products. Placing the Chat icon on the homepage presents a direct line to get a question answered, but limits the impact of your website to promote your organization.

- Tie Chat access around products that make or save the financial institution money. Having Chat accessible on your loan application pages is a perfect example of logical deployment. The user is interested and invested in your institution; they are attempting to apply for a loan and may need assistance; you certainly want to engage them at this point. A customer trying to sign up for e-statements is another prime help spot.

- Once you commit to offering Chat, make sure you can support it. There's nothing worse than offering Chat but then frequently taking it offline due to staffing shortages. If the icon is on the site, customers had better be able to use it. And don't forget Saturdays or extended hours, when most Contact Centers are minimally staffed. Lengthy Chat sessions could negatively impact all customers seeking service during those times.

Best Practices in Chat

To make Chat successful, we recommend the following steps to ensure the channel is managed as effectively and efficiently as possible:

- If feasible, place the Chat responsibility outside of the Contact Center or to designated agents not relied upon to answer calls. Many institutions have e-Banking areas that support e-mail, home banking or other PC-based products. By segregating Chat from inbound call dependencies, your Contact Center's service metrics won't be affected by the longer engagement times.

- Regardless of where Chat is handled, your Chat agents need to have specialized training to enhance their skills. Excellent spelling and grammar are mandatory. Anyone applying to be a Chat agent should be tested on writing comprehension, ability, and speed. In our text-abbreviated

digital world, these skills are harder to find, but every piece of communication reaching your customer is a direct reflection of your organization, making it paramount to have the right agents in these positions.

- Don't overdo canned responses. It's natural to think that selecting from an inventory of preplanned and typed responses would be quicker than typing. Not necessarily. At one client we reviewed, they had so many prepared responses it took the agent longer to find the appropriate reply than to type it. Additionally, many of the responses either didn't fit the question asked or were totally wrong.

- Monitor each agent's performance against the group. As with talk times, Chat times can vary among agents. And with overall engagement times longer, the spread can be significantly wider. We were at one client with an established Chat channel, and the variance in chat times ranged 3-10 minutes among the agents. It doesn't take long for your cost per engagement to spiral upward. With this client, the lower performing agent was costing approximately $250 more each month.

Strategize Your Chat

In summary, Chat seems to be everywhere on the Web. Visit most retail or tech-oriented merchants and they surely have Chat capabilities. Financial institutions and specifically credit unions have been slower adopters. In our view, Chat may have a place in today's client customer contact strategy, and most probably customers will look for it more in the future as it becomes prevalent across all merchant websites.

However, we feel it is absolutely critical that implementation of Chat be well thought out, with a detailed strategy and understanding of exactly how much time, effort and expense is necessary to support it. Chat must truly be a benefit to the customers, and not a poorly-sourced offering that is inefficient and frustrating to use and which then renders a negative image of the organization.

For More Information

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About Advisors Plus

Advisors **Plus** was established in 2005 to provide consulting and marketing services to credit unions. Our range of services covers the key areas of strategy, credit cards, debit and checking, marketing, contact center, operations, and branch sales.

The experienced consultants at Advisors **Plus** work with the organization's staff through the entire process from project analysis to implementation and management. Our goal is to ensure that each financial institution achieves sustainable business growth, exceptional member experiences and operational efficiencies.

As of December 31, 2011, Advisors **Plus** has superior NPS Scores of: 74 – Credit; 81 – Debit and Checking; 91 – Contact Center. For more information, please visit **AdvisorsPlus.com.**