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**RIGHTNOW CX
CLOUD SERVICE**

An Oracle Best Practice Guide
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Best Practices for Chat Deployments

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Introduction

Oracle RightNow Chat Cloud Service facilitates real-time, online chat sessions between agents and consumers to resolve both sales and customer support issues. Delivered as part of the comprehensive Oracle RightNow CX Cloud Service, or as a standalone application, Oracle RightNow Chat Cloud Service is a powerful and effective live communication channel that provides superior agent productivity and customer satisfaction ratings.

The popularity of chat continues to grow in dramatic fashion. In order to have the highest success rate with this new channel, it is vital to have clear goals and objectives and to plan carefully. Targeted to executives, managers, and technical staff, this guide explores the top ten best practices for planning a new Oracle RightNow Chat Cloud Service deployment.

Best Practices for Planning Oracle RightNow Chat Cloud Service Deployments

The best practices outlined in this guide will ensure that businesses maximize their benefit from the Oracle RightNow Chat Cloud Service solution. Spend some time up front to plan how you will

- Define your goals.

- Choose your metrics.

- Hire and train staff.

- Plan placement.

- Establish routing and queuing.

- Customize the solution.

- Require incidents.

- Encourage Web self-service.

- Fine-tune analytics.

- Measure results.

Define Your Goals

There are a number of reasons why businesses decide to include chat in their sales and support strategy. The overriding business objective must be agreed upon and communicated to all stakeholders, from the executive staff to the agents themselves. The primary business objective an organization is looking to achieve will determine both the implementation strategy and success metrics.

The three most common business objectives driving the addition of chat as a new channel within the customer experience are customer satisfaction, cost reduction, and sales conversion.

Customer Satisfaction

The need to increase customer satisfaction (CSAT) is quickly becoming a primary business driver in making chat an integral part of the Web experience for visitors. Gartner found that retaining customers and enhancing existing customer relationships was the #1 concern of CEOs in 2010. Likewise, increasing CSAT was the #1 business objective for customer relationship management (CRM) projects in 2010.

It has been well documented that younger demographics have a strong preference for chat over any other channel simply because they prefer real-time, text-based communication. With the explosion in social media that is currently taking the world by storm, consumers consider text-based chat as their primary means of communication with both friends and businesses alike. Forrester Research

conducted a study to uncover why consumers liked chat so much, and found that the ability to get immediate help was the primary driver, as well as getting personalized service, achieving faster issue resolution, and not having the time or desire to place a phone call.

Another reason chat has such excellent CSAT rates is its high rate of first-contact resolution. Chat is more efficient than e-mail, and achieves handle times that are measured in minutes as opposed to days with e-mail. It is also easier to communicate certain information such as complex URLs or complex instructions than it is via phone.

Another side effect of consumers' preference for chat is a net increase in the number of consumers who will engage with a business. Most businesses assume that adding chat will divert traffic from the more expensive phone channel, and this is true. Gartner found that the introduction of a chat channel reduced telephony volume by 12 percent. However, they also found that take-up on the chat channel was 18 percent. The additional 6 percent represents net-new engagements, or new sales opportunities, that arise simply because consumers prefer chat.

Is it any wonder that Oracle RightNow Chat Cloud Service consistently earns the highest CSAT ratings of any channel? Businesses wanting to increase loyalty among existing customers and attract new customers are wise to add chat as part of their multichannel strategy.

Cost Reduction

While chat is commonly known to increase agent productivity and drive down costs in service and support scenarios, these same savings are seen in sales scenarios as well. Chat is less expensive than phone. Forrester reports that a customer service interaction through the phone typically costs US$33 as compared to US$10 for a chat session, while Gartner found that phone service is typically four times the cost of Web chat.

Chat agents are able to handle more than one interaction at a time, making them more efficient than phone-based agents. According to a survey of customers using Oracle RightNow Chat Cloud Service, agents can take anywhere from one to an astonishing ten chats at a time. The average among those responding to the survey is approximately 2.5 simultaneous chats per agent. The complexity of the interaction itself, as well as the experience of the agent, will determine how many chats an agent can take within your organization. Interactions with highly complex or sophisticated subject matter will limit agents to one or two chats at a time, while simpler interactions will trend toward three or four.

Other elements of Oracle RightNow Chat Cloud Service drive down the cost of the channel as well. Leveraging contextual information such as customer routes, preselected products or categories, and responses to prechat questions ensures that chat requests are delivered to the most-capable agents and give those agents a head start. Additionally, the use of automated greetings and canned text snippets for commonly used responses also saves time. The use of Oracle RightNow Guided Assistance Cloud Service for chat agents, which standardizes the diagnostic process for common customer issues, can not only produce a dramatic reduction in handle time but will ensure a consistent customer experience as well. Lastly, when the agent sends links to the Oracle RightNow Chat Cloud Service knowledgebase through the chat transcript, the consumer is able to refer to instructions or reference material without

necessarily requiring further live agent assistance. In all, the Yankee Group found that the use of chat increased agent productivity by 35 to 75 percent.

Sales Conversion

Contact centers are increasingly being considered revenue centers, and chat is commonly used to up-sell and cross-sell products in a retail environment. As noted by Forrester in their report "Selecting the Best Chat Strategy," online chat is evolving "from reactive, service oriented solutions to proactive, sales oriented solutions," which results in conversion rates that are 20 percent higher. A recent article detailing Telecom New Zealand's use of Oracle RightNow Chat Cloud Service revealed that in just five weeks, the company has seen a 21 percent average sales conversion rate using Oracle RightNow Chat Cloud Service, compared to a 3.5 percent conversion rate for the phone channel. Other customers are seeing sales conversion rates as high as 25 percent for reactive chat and 40 percent for proactive chat.

There are a number of reasons these impressive numbers are possible. A case study by Marketing Sherpa found a 10 percent decline in cart abandonment with chat. Less abandonment means more customers making purchases. But it's not only about increasing the number of customers. JupiterResearch reports that companies using chat will also experience a 30 percent lift in the average value of their orders.

There is another interesting twist on using Oracle RightNow Chat Cloud Service to generate revenue. Because there is such a strong preference for chat among consumers, we are also seeing businesses leverage chat as a perk within a premium service. In this scenario, consumers who use a company's free service may be limited to e-mail support, but those registering for a paid or premium service gain access to live chat agents. Numerous Oracle RightNow Chat Cloud Service customers have found this to be a valuable incentive in encouraging Website visitors to become paying customers.

Choose Your Metrics

Measuring the success of Oracle RightNow Chat Cloud Service starts with choosing the primary metrics or key performance indicators that align with your primary business objective. It's often tempting to track numerous metrics and look for improvement in all of them, but that approach will often lead to trouble. For example, if your primary goal is to increase CSAT, you would not want to select "average handle time" as a primary metric when measuring success. Many Oracle RightNow Chat Cloud Service customers have found that decreasing average handle time has no positive effect on CSAT. In fact, an aggressive effort to shorten chat interactions overall may even decrease CSAT ratings.

To ensure that you are meeting your goals, it's best to select two or three key metrics when measuring your success. In general, what is tracked will be improved, if only because it will focus your attention and efforts around improving those metrics. Therefore, you need to carefully choose your top metrics to avoid inadvertently changing business processes and workflow that will affect the wrong areas.

This section outlines the most-common metrics that Oracle RightNow Chat Cloud Service customers track, and how chat can have an impact on each.

Abandonment Rate

Abandonment rate reflects the percentage of customers who choose to abandon, or cancel, their chat request before they are connected to an agent. In general, organizations want to decrease their abandonment rate, although some forms of abandonment are good. Consumers using Oracle RightNow Chat Cloud Service can search the knowledgebase while waiting for an agent. If they are able to resolve their own issue, they will abandon the chat request, but this would be considered a successful resolution. This metric is most often associated with reducing costs, increasing revenue, and increasing CSAT.

Average Handle Time

Some chat deployments target only quick, simple issues, which are expected to have short average handle time (AHT). However, there are considerable benefits to chat even with longer, more sophisticated engagements. When comparing AHT for chat to AHT for phone interactions, bear in mind that most chat agents handle more than one interaction at a time. Even if an agent takes only two simultaneous chats, this would effectively cut AHT in half when compared to phone. Other reductions in AHT for the chat channel include the relative ease of passing complex information, such as code snippets, detailed instructions, or complex URLs, through the chat transcript. Utilizing canned text fragments as well as automated diagnostic processes through Oracle RightNow Guided Assistance Cloud Service will yield even shorter handle times. This metric is most often associated with reducing costs. It may be counterproductive when increasing CSAT.

Average Order Value

Average order value is the average shopping cart total for an online purchase. Chat has been shown to be very effective in increasing average order value by utilizing an agent's expertise to up-sell or cross-sell various products the consumer is interested in. Organizations generally want to increase their average order value. This metric is most often associated with increasing revenue.

Average Speed to Answer

Average speed to answer, or average wait time, is the average time a customer waits in a queue before being connected to a live agent. The volume of Website traffic and agent staffing levels are the two factors having the greatest impact on this metric, and organizations generally want to reduce their average speed to answer. This metric is most often associated with reducing costs, increasing revenue, and increasing CSAT.

Sales Conversion Rate

Sales conversion rate is the percentage of Website visitors who make a purchase during their Website visit or soon thereafter, either online, via phone, or in a store. Chat has been shown to be very effective in increasing online conversion rates because agents are effectively able to sell a consumer on a product or service, and help them navigate sometimes error-prone shopping cart checkout procedures. Even "offline" purchases can increase as a result of chat's high CSAT, as consumers who

have a positive experience with a company are more apt to purchase products or services from them. Organizations generally want to increase conversion rates. This metric is most often associated with increasing revenue.

Cost Per Contact

Cost per contact is the total of all costs associated with handling an interaction, including overhead costs, divided by the total number of interactions. Organizations generally want to decrease cost per contact. This metric is most often associated with reducing costs.

Customer Satisfaction

CSAT is the measure of overall satisfaction by a customer of an interaction, as opposed to a product or service. This measurement is normally obtained through post-chat surveys. Because it provides organizations with a competitive advantage, they strive for the highest ratings possible. This metric is most often associated with reducing costs, increasing revenue, and increasing CSAT.

Deflection Rate

Deflection rate is the percentage of customers who resolve their issue before receiving agent-assisted help. When you allow consumers to search the knowledgebase while they wait in a queue for a chat agent, many consumers will resolve their own issue. By using the search criteria to optimize your knowledgebase and organize your Web self-service pages, you can continue to increase your deflection rate. Generally, organizations want to increase their deflection rates, which in turn increases Web self-service rates. This metric is most often associated with reducing costs.

Escalation Rate

Escalation rate is the percentage of interactions that are escalated to another channel for resolution. Escalations generally occur because the initially selected channel is not sufficient to resolve the issue, and may point to a need to "right-channel" interactions before they are submitted. In general, organizations want to decrease their escalation rate. This metric is most often associated with reducing costs, increasing revenue, and increasing CSAT.

First-Contact Resolution Rate

First-contact resolution rate measures the percentage of issues that are resolved in the first attempt, regardless of channel. Chat has been shown to have much higher first-contact resolution rates than e-mail, which often requires several back-and-forth messages before an issue is resolved. Chat may have first-contact resolution rates comparable to the phone channel. These rates will be even higher when agents can transfer or conference to higher-tier agents, or when they can chat with back-office personnel while still actively engaged with the consumer. Organizations generally want to increase their first-contact resolution rate. This metric is most often associated with reducing costs, increasing revenue, and increasing CSAT.

Shopping Cart Abandonment Rate

Shopping cart abandonment rate is the percentage of shoppers who place an item in their shopping cart but do not successfully complete checkout. Chat is effective at allowing agents to guide customers through the checkout procedure, which is a common abandonment point. Organizations generally want to decrease their shopping cart abandonment rate. This metric is most often associated with increasing revenue.

Hire and Train Staff

Now that you've selected the metrics you'll use to measure success, it's time to move on to planning your deployment. One of the first questions you'll face is how to effectively staff this new channel and ensure that agents are adequately trained. This question is usually easier to answer than you might think. Using information from your Web analytics package and your phone channel, you can gain a fairly good estimation of your chat volume. Web analytics can provide historical trends on the number of customers visiting your Website during typical and peak times. Forrester has determined that approximately 15 percent of those visitors will elect to engage in a chat session. Of course, there are many factors that influence this general rule, such as the demographics of your customer and the types of products or services you sell and support. Younger demographics will have higher-than-average chat request rates, as will products or services in industries such as banking, financial services, technology and software, and retail.

While Website traffic patterns can be very useful in forecasting demand for chat, you may prefer to base your estimations on your established phone traffic patterns. A Gartner study determined that the introduction of a chat channel reduced telephony volume by 12 percent, but take-up on the chat channel was 18 percent. The additional 6 percent represents net-new engagements due to the new channel. Keep in mind that adding a chat button or link to your Website does not drive traffic to the Website. It will instead shift volume from one channel to another. The amount of the shift depends on the demographics of your customer, the type of information on your Website, and where and how you place your links. Likewise, programs to increase customer awareness of the chat service will also increase the use of the chat option.

Oracle provides a volume and staffing calculator to help you estimate demand for a new chat channel on your Website. You can request this tool from your Oracle customer success manager or sales representative.

This calculator will help you estimate your normal chat volume over time. When initially deploying the channel, however, it is recommended that you take a more gradual approach. Consider using abbreviated or off-peak hours to start, and increase these as you become more comfortable. You can also be selective by offering chat only on certain pages, for certain transactions, or for certain customers. Rest assured that changes made to chat link availability will have a fairly immediate impact on volume, so you will find that you have a fair amount of control. Empowering yourself with this information will help to ensure a smooth and successful chat deployment.

Once you have determined your staffing requirements, training is the next crucial step. In many cases, businesses train existing phone or e-mail agents to handle chat requests, and that can be an effective tactic. It's important to select and train agents for chat-oriented skills. The most-critical characteristics are excellent written communication skills; proper grammar; typing speed; attention to detail; patience; the ability to multitask; and professionalism when dealing with angry, frustrated, or confused consumers. If using chat agents primarily for sales conversion, sales skills are obviously important as well.

Performing an internal beta is also an excellent training practice, followed by a limited live deployment. Taking multiple simultaneous chats will take some practice, and these phases can also be used to flesh out the canned text messages and guides in Oracle RightNow Guided Assistance Cloud Service that agents will come to depend on.

Plan Placement

As with your metrics, the primary business driver in adding a chat channel will also drive decisions around how and where to make chat available. Emerging best practices are steering away from using only a dedicated support page in favor of putting help where and when it's needed. For example, you may want to restrict access to chat to those customers looking at high-end or high-profit items, and therefore you would put chat links only on those product pages. As discussed earlier, chat may also be reserved only for customers subscribing to a premium or pay service, and therefore chat would be restricted to only those visitors. You may also decide that chat should be made available only after visitors have searched the knowledgebase. You can accomplish this by placing chat links at the bottom of knowledgebase answers as a form of channel escalation.

In most cases, chat is offered more freely on support pages, topic pages, product pages, and checkout pages. Casting a wide net in this fashion ensures that customers have access to chat whenever and wherever they need it, resulting in high levels of satisfaction and an excellent customer experience.

Placement of chat links have a large and fairly immediate effect on volume, and can easily be tweaked to control that volume. The prominence of the chat links, the number of pages containing links, visitor demographics, and even the time of day will all factor into volume. Placing the button or link on high-traffic pages will have a bigger impact on volume, as will placing the link or button higher on the page.

In addition to the static, or reactive, chat link described above, many organizations also deploy proactive chat. This allows you to reach out to Website visitors who fall into specific demographics or are exhibiting behavior that you have determined is beneficial to address through chat. Common examples are when a customer has performed multiple search queries, has spent a long time on a specific page, or seems stuck in the checkout process. Extending an offer to get live immediate assistance during these times will again result in increased CSAT and, often, increased revenue.

Establish Routing and Queuing

With the Oracle RightNow Chat Cloud Service solution, chat requests are placed in queues that are then serviced by chat agents. In planning a routing and queuing strategy, it is common for organizations to mirror the same queue management strategies, routing rules, escalation procedures, and metrics as the phone channel. Typical routing methods include line of business, product, category, question type, customer value, preferred language, and escalation level. The most common structure is to create individual queues for separate products, which are then serviced by chat agents with skills or expertise matched to those products. It is also necessary to have a default queue that is used when a specific product or question category cannot be determined. In some cases, organizations will route all chats to a default queue, and then have the agent perform a triage function to then re-route the chat to the correct queue or agent. While this structure is simple on paper, it is not generally recommended, as the triage-and-transfer process can be confusing and time consuming.

Chats are placed in the appropriate queues using routing rules. Rules can leverage information passed in with the chat request. This information is commonly gathered through questions placed on the chat request page, or passed in programmatically by tracking the page the consumer was on at the time of the chat request or other pertinent information. This information can then be displayed in custom fields on the agent workspace.

Customize the Solution

Another step in the planning process is to customize the software to maximize its benefit. With chat, there is both a consumer-facing interface and an agent-facing console, and you can make customizations to both.

For the consumer side, ensure that the interface matches the style and look and feel of the rest of your Web experience. Modifications such as colors, font, and logo are easy to make, but it is also possible to get far more creative. Using Oracle RightNow Customer Portal Cloud Service gives you a starting place with an out-of-the box page set and reference implementation. With the widget architecture of Oracle RightNow Customer Portal Cloud Service, it is possible to add or remove standard functionality, or even create completely new functionality that you would like to make available to your customers. Refer to the Oracle RightNow CX Cloud Service documentation as well as in-depth videos, cookbooks, and other training materials to guide you.

Customizations to the agent desktop will be centered around the enforcement of your workflow or business practices and the maximization of agent efficiency. While the Oracle RightNow CX Cloud Service documentation and other training materials are your best source of information regarding these features, a general chronological order of agent console customizations include

- Creating agent profiles and staff accounts

- Customizing navigation sets, menus, and custom workspaces

- Establishing chat queues and routing rules

- Specifying chat permissions such as agent statuses, queues to service, push-or-pull policy, ability to decline chats, maximum sessions allowed or enforced, wrap-up time allocation, and ability to conference or transfer

- Creating knowledgebase answers and search, guides in Oracle RightNow Guided Assistance Cloud Service, and standard text entries

- Setting chat availability hours

- Specifying supervisor functions such as monitoring individual chats as well as queue and agent metrics

- Customizing reports

- Providing integration with incidents, offers, and opportunities

- Creating chat links and proactive chat firing rules

- Establishing chat surveys to collect customer feedback

Refer to the Oracle RightNow CX Cloud Service documentation for detailed instructions on all of the features and page elements and how to customize them. You can find additional support in our online community.

Require Incidents

An important Oracle RightNow Chat Cloud Service best practice is to require the creation of an incident to track each chat session. Doing so will ensure that each engagement is resolved successfully, and that information captured during the chat is included in reports and trending analytics. This information is then used to streamline business processes, identify agent training opportunities, and optimize Web self-service content.

There is a significant amount of flexibility in incident creation. You can configure Oracle RightNow CX Cloud Service to require that an incident is created, or allow creation to be optional. You can also automate the incident creation process or allow it to be manual. For best results, we recommend that you require incidents to be created and automate the creation process.

Encourage Web Self-Service

There is often a misconception that offering multiple channels will cannibalize or inhibit the use of Web self-service (WSS). There are a number of simple things you can do not only to prevent a decline in WSS rates but to actually increase them. Chat agents should be trained to push links to knowledgebase answers through the chat transcript whenever possible. By providing these links, customers become more familiar with the knowledgebase itself, and will come to understand that most of the information they are looking for is already there. We have found that this technique encourages customers to look in the knowledgebase first before requesting a chat, placing a phone call, or sending an e-mail.

For a more rigorous approach, it is also possible to require a Web self-service search prior to requesting a chat. You can accomplish this by making the chat link available only after a search has taken place, or only within the answers of the knowledgebase. Caution should be taken with this approach, however. It is important that customers find help quickly and easily, whenever and wherever they need it. Requiring the customer to go through a lengthy or inconvenient process before they gain access to the channel they need will only lead to frustration and a poor experience.

Utilizing knowledgebase links during a chat also has a few other beneficial side effects. It creates a consistent customer experience, as all customers with the same issue are given the exact same information, and also decreases the potential perception of slow agent response time as the consumer is occupied consuming the knowledgebase content.

Fine-Tune Analytics

Analytics are the primary tool you'll use to track your success and identify trends. Take the time to evaluate the out-of-the-box reports that come with the product. These reports are meant to highlight the type of data available to you and give you a starting place for creating your own, customized reports. Reports can be created from scratch, or copied and fine-tuned to meet your needs. Ensure that you create reports that highlight the metrics you want to track. Most of your trending and measurement will come from these reports, so it is critical to get them right.

Oracle RightNow Chat Cloud Service reports can be found in the Reports Explorer under Service, in the Chat Reports folder. Refer to the Oracle RightNow CX Cloud Service documentation for full instructions on modifying these reports or creating new ones from scratch.

Measure Results

In measuring the results and success of the chat channel, you'll need to define your tracking process and develop performance baselines.

Using surveys is the single best way to gather the information you need to track the effectiveness of chat. Keeping surveys short, such as limiting them to five or fewer questions that all appear within the same window, significantly increases the likelihood that customers will complete them. Keep the questions simple, short, and easy to answer. Providing Yes/No radio buttons, simple checkboxes, or numeric scales is preferable to open-ended questions that are answered with free-form text.

Some common survey questions are

- Was your issue resolved?

- On a scale of one to seven, please rate your satisfaction with this support experience.

- Did you find the chat agent to be knowledgeable?

- Did you find the chat agent to be professional?

- Would you use chat again?

Lastly, it's important to have an audit process and continuous improvement cycle, such as having supervisors who monitor chats in whisper mode combined with transcript audits and metric tracking.

Conclusion

Adding Oracle RightNow Chat Cloud Service to your Web experience, as a standalone product or as part of a multichannel strategy, can reduce costs, increase revenue, and increase customer satisfaction. Having a well-defined and communicated objective is the primary foundational element to a successful deployment. That foundation will determine which metrics are used to measure success and guide decisions around staffing, availability, and customizations. A diligent planning process will ensure a successful deployment of a new chat channel.

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Author: Carol Volk

Oracle Corporation
World Headquarters
500 Oracle Parkway
Redwood Shores, CA 94065
U.S.A.

Worldwide Inquiries:
Phone: +1.650.506.7000
Fax: +1.650.506.7200

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