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SEM, Sales Assistance, and Proactive Communications, Part 2: Online Chat

By [Kevin Lee](#)

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Can online chat, integrated with search engine marketing (SEM), improve conversions, increase order size, or make orders more profitable? Very possibly.

You want higher-volume, qualified search traffic. Often, proof of a campaign's success is the only way you can justify the higher [CPCs](#) competition forces you to pay. Instead of using fuzzy factors such as branding, focus on how SEM really drives business. The more you know about the value of each search click, the better your campaign.

Stellar SEM campaign performance is more than knowing how to fine-tune listings. Last week's [column](#) discussed providing a phone option to capture customers who find products on the Internet but would rather purchase by phone. I've done it when booking at an unfamiliar hotel when I have questions on the amenities.

There's yet another way of chatting: [IM](#). IM has made a whole generation comfortable with text-based discussions in real time. Unlike e-mail, real-time chat is very similar to the telephone. Let's look at the numbers.

If your conversion rate is normally 3 percent and live chat adds 2 percent, what's the bottom-line impact? That depends on your business.

Look at the cost of the chat solution and, more important, the labor cost of managing chat sessions. These vary. Some companies employ offshore chatters, others use local trained staff. Then, take the profit on chat's conversion rate (long-term or immediate profit, depending on your preference), and calculate net profit.

The lift in net profit can enhance the bottom line in two ways:

- Take the money and run.
- Have your SEM team (or automated campaign management software) use the increased conversions to facilitate a more aggressive SEM campaign (higher bids). With a better conversion rate, you can afford higher bids and still hit the ROI target.

Many vendors offer live support or marketing chat software. Check around to see if the SEM-related features you want are supported. Two vendors with interesting SEM-related features are [Liveperson](#) and [ClickIM](#).

Liveperson is considered the [ASP](#) market leader. It started by providing support-style chat but now has versions specifically tuned for sales facilitation. ClickIM is a venture run by OSI Codes. A dozen other companies offer solutions. Research before you buy.

The two types of live chat relevant to SEM are:

- **User-initiated chat.** User-initiated chat happens when a searcher or visitor reacts to a call to action, usually a photo of an operator with the words, "live help" or "click here to chat." Size, placement, and call to action on the image is something marketers can control with nearly all live chat software programs.
- **Chat invitation or proactive survey.** This can take the form of an automated business rule, or a sales operator can launch a chat invitation. With LivePerson, the invitation graphic is served automatically based on visitor behavior parameters, or by an operator. ClickIM has a proactive survey screen that's similarly served in a layer. After a user answers the survey questions, a chat invitation is presented.

Both ClickIM and Liveperson allow chat reps to see the search terms used to find the site. This provides the operator with a huge advantage when answering any questions a prospect might have. Next week: examples from several chat system users.

If you use live chat and SEM in a complementary fashion, drop me an [e-mail](#). I'd like to hear about your experiences.

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