



Integrated Search Engine



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SEM, Sales Assistance, and Proactive Communications, Part 3: Online Chat in Action

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Clicks are getting expensive. Conversion improvements enable marketers to bid higher for the keywords and keyword phrases they need. If their keywords are already in top positions, conversion increases shoot profit and revenue straight to the bottom line.

This is the last of a three-part series on offline support for the paid search process. ([Part one](#) discusses the phone's role in offline conversion; [part two](#) examines online chat.) I spoke with marketers who use online chat and looked more closely at features that might be appropriate for search marketers. I also reviewed a benchmarking study provided by [LivePerson](#).

LivePerson's study was for a client selling software online. Key takeaways that effect search engine marketing (SEM) center around conversion. In this study, chat resulted in a 50 percent sales increase. That's huge. If your product or service has a high enough margin and revenue potential, paying an operator to engage in chats makes sense.

The study indicates chat activity correlates with sales. Of course, not all visitors proactively choose to engage in chat, so the study includes chats that resulted from invitations to chat (automated or manual graphic messages served in a [DHTML](#) layer). Half of all visitors were served chat invitations. Eight percent of those invited accepted the invitation. Of those who chatted, conversion to sale increased 50 percent.

Not wanting to go by only one study, I called several marketers who use chat to supplement marketing efforts. Our conversations were illuminating and quite positive. They were so positive, in fact, I'll likely test chat myself to see if we can replicate some of the results on our site. Following is a synopsis of comments from marketers who use chat to make their campaigns more efficient.

The most critical question is whether any lift in sales is attributable to the chat function. Two marketers were willing to venture estimates. Michael Schurmann of [Woodmaster Furniture](#) uses LivePerson. He felt very comfortable estimating his chat-related sales lift at 15 percent, perhaps as high as 20 percent. That's a huge gain in conversion. It would permit bid increases while maintaining return on investment (ROI).

Of course, any [ASP](#) chat application has financial and human resource costs. Yet all the marketers I talked to indicated operators can juggle three (or more) simultaneous chat sessions, often while on the phone. So if consumers select chat over the phone, there may even be human resource savings.

In the furniture business, a high average order size combined with the fact many chat sessions revolve around customization and special orders are another ROI-enhancing benefit. Schurmann also praises LivePerson's Live Keywords feature, in which reps can see exactly what search term brought the visitor to the site. They can even track the path the visitor took through the site. This helps the rep know what questions a "chatter" may have, even before it's been asked.

Tyler Smith at [Niche Retail](#) uses a self-installed version of chat developed by OSI Codes, the team behind [ClickIM.com](#). Smith echoes the 15-plus percent conversion lift. His favorite way to improve conversion is by using well-written, preprogrammed "canned" answers, a feature of many online support chat programs.

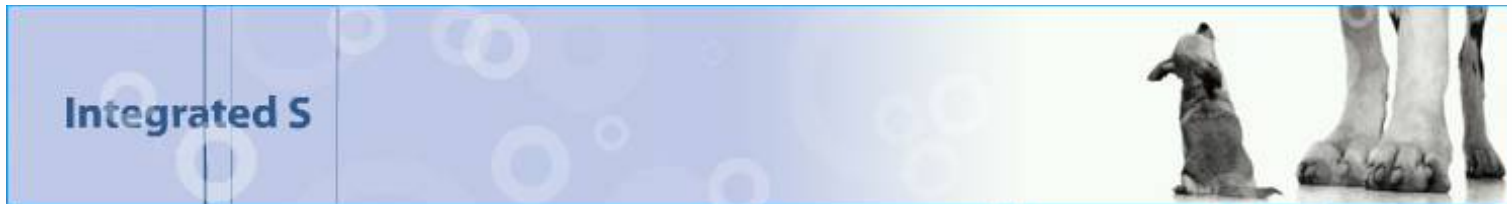
Keith Thomson at [Swiss Knife Shop](#) also uses LivePerson. He considers Live Keywords not merely a chat feature, but a powerful, real-time Web analytics system. Thomson describes the feature as a way to "take the pulse" of the keyword market. Watching real-time keywords helped him identify a huge lift in search popularity of a USB Swiss Army Knife that wasn't yet available but had been reviewed in The New York Times.

Another best practice was mentioned by Milton Tauber at [The Buzz Electronics](#). He uses seasonal, custom-designed chat invitations to increase the likelihood a visitor will interact with a trained salesperson. Like the other marketers, Tauber finds visitors viewing complex or expensive items are more likely to both initiate a chat session and accept a chat invitation. Given the higher revenues and profits associated with these products and chat sessions, chat's benefits seem even greater.

I'll be testing some of these best practices on my site over the next month or so. I'll report back my findings as a business-to-business (B2B) marketer. Perhaps the ROI and conversion lift will be similar. Maybe B2B has a completely different profile. I welcome [feedback](#) from those of you using or testing chat to improve conversion and lift ROI, as well as those who use chat features as an analytics solution for real-time site traffic monitoring, particularly if search terms play a role.

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