



The Ultimate Guide to Customer Engagement on Chat

The new rules of engagement for digitally-connected customers

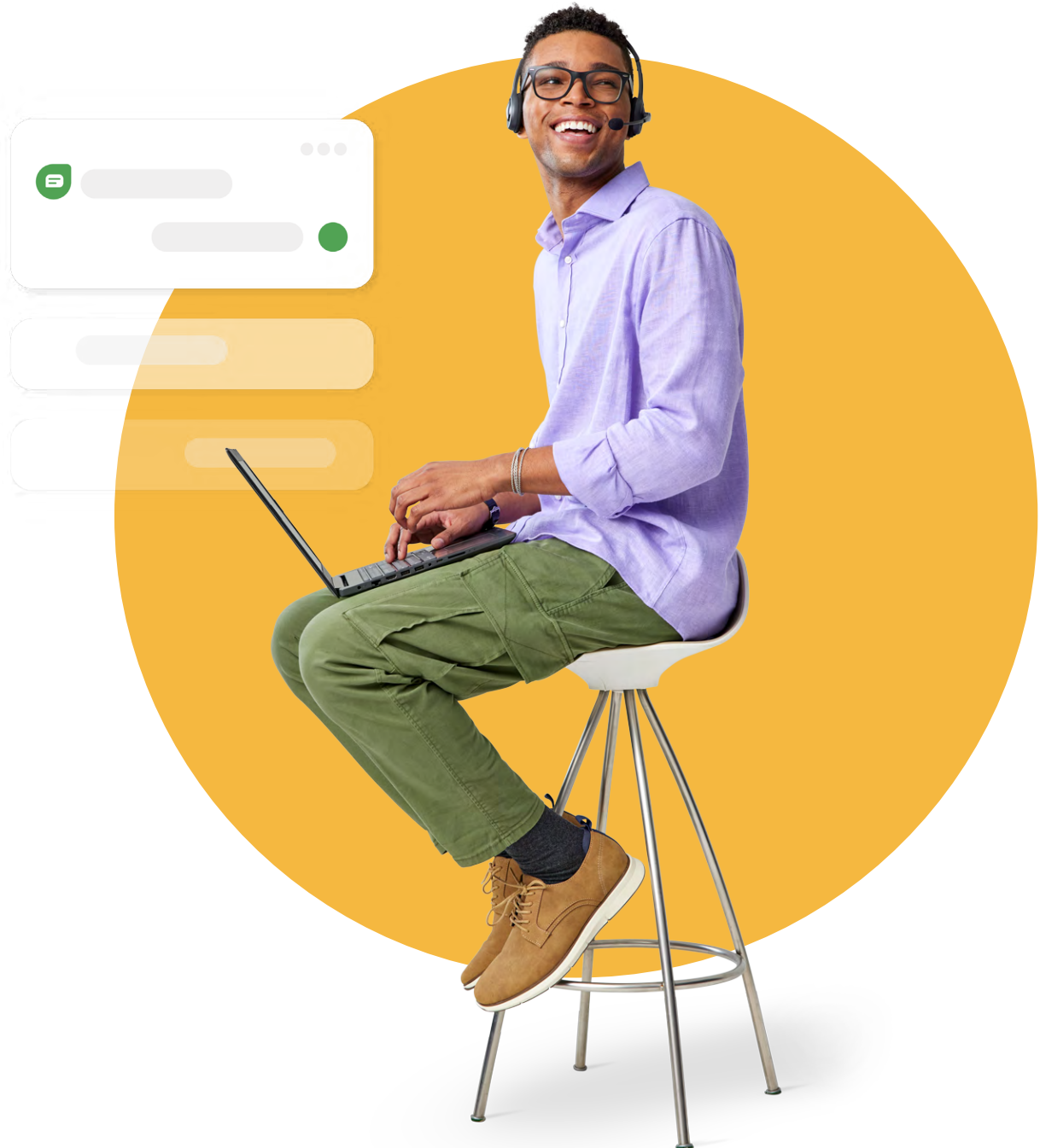


Table of Contents

Introduction	03
What is customer engagement on chat?	04
Channels of chat engagement	04
Benefits of good customer engagement on chat	05
How to create a winning customer engagement strategy	07
Measuring customer engagement on chat	11
Customer engagement by Freshdesk Messaging	13

Introduction

Running a business can be very tricky in today's hyper-competitive environment. **With new customer acquisition costing companies 5X more**, capitalizing on repeat purchases by existing customers seems like the smart move. Unfortunately, existing customers don't always feel the need to stay with a company and can easily be driven to competitors. In this age of fleeting brand loyalty, improving your customer engagement is the only way to sustain your business for the long haul.

56% of consumers have stopped doing business with a brand due to a single bad service experience in the last 12 months.

But like most businesses, you might not even be aware that your customer engagement is suffering.

It's not easy to keep up with customer expectations - support teams need to provide fast, transparent support and handle growing support volumes amidst staffing shortages.

It takes about 50 milliseconds (that's 0.05 seconds) for users to form an opinion about your website. The average time spent on a website is **15 seconds** before a visitor leaves your website. So you have just 15 seconds to engage with the user before they leave. And that's why customer engagement can make or break things for your business.

Customer relationships need nurturing, but making customers fall in love with your brand is easy. Maintaining that relationship is where customer engagement becomes important. In this guide, you will learn:



How to improve customer engagement on chat



Strategies to build fail-proof engagement with customers



Metrics and tools to help you stay on the right track

31% of consumers across the world are willing to pay more for a great customer service experience.

What is customer engagement on chat?

Customer engagement refers to all interactions between a company and its customers across all touchpoints. However, not all teams evaluate engagement in the same way.

For instance, in the context of products and services, engagement is the level of user interaction and involvement within a product. Within website performance, engagement would be measured by actions such as how long a visitor stayed, and how quickly they bounce, etc.

Therefore, to truly improve your customer engagement, it's best to break down customer touchpoints, channels and objectives, and tailor solutions to your requirements.

Around **73%** of customers find live chat the most satisfactory form of communication with a company.

With chat and messaging arising as favored customer engagement channels, it is the right time to understand whether — your existing engagement strategy works on chat, how it could be optimized to serve customers and agents better, and how to use performance data to learn and improve continuously.

But first, what are the different channels of chat engagement?

Live chat



46% of customers prefer live chat making it a leading digital contact method for online customers

Chatbots



69% of customers prefer chatbots for support for their ability to provide instant resolutions.

Messaging channels



64% of customers tried a new messaging channel to reach out to companies in 2020.

In-app messaging



In-app messaging has shown a whopping **75%** open rate.

Benefits of a good customer engagement strategy on chat

In today's relationship-centric economy, a comprehensive customer engagement strategy stands as the most fool-proof way to build and sustain your relationship with your customers.

Chat and its many forms - whether live chat, chatbots, or messaging channels are becoming the next big wave in customer engagement. Here are a few ways in which chat can help boost customer engagement.



1. Improved sales - According to [Rosetta Consulting](#), highly engaged customers buy 90% more frequently and even spend 300% more than other customers.



2. Increased profitability - Another study from [Gallup](#) has found that such customers contribute to a 23% premium in profitability, revenue, and relationship growth.



3. Better customer retention - For B2B customers, better engagement translates into 68% lower attrition and 5% increase in customer retention



4. Loyal customers - Engaged customers are more loyal, and 43% of loyal customers spend more on your brand. Not only that, loyal customers make fierce brand advocates and play a defining role in increasing your brand's potential organic reach.





5. Real-time interaction - Chat offers customers an easy way to reach out and ask questions or raise concerns without being put on hold or having to wait for an email response.



6. Proactive engagement - [33% of proactive chat conversations](#) received responses from customers. Reduce common challenges such as cart abandonment, increased ticket volume, and subpar website experiences by reaching out to customers even before they raise an issue by predicting their behavior and offering solutions.



7. Ticket Deflection - Answering common queries via bots can bring down the number of tickets raised by up to 60%, ease agent bandwidth, and allow your team to spend more time on complex issues.



8. Improved productivity - Improved team productivity with quick replies, bulk actions, contextual information on the customer, reports, and a live dashboard. With an asynchronous chat product that retains conversation history and response time expectations, your agents can also simultaneously navigate multiple channels like email and phone.



How to create a winning customer engagement strategy on chat

With a multitude of opportunities and ways to engage customers today, it can be hard to know which are the most effective.



You can't buy engagement. You have to build engagement.

Tara-Nicholle Nelson,
Transformation expert.

Here is a list of the ten best strategies to keep your customers engaged.

1. Make your brand more human

70% of emotionally engaged customers spend up to 2X or more on brands they are loyal to.

Effective customer engagement involves building a solid emotional connection with your customers. The best way to build an authentic emotional connection with them is to prove that they are dealing with actual people instead of a faceless corporation. There are simple yet effective ways to make a personal connection via chat. For instance, including the name and image of the support agent in the chat window, allowing rich media responses such as images and gifs, or allowing for multilingual support are some of the ways to build a deeper connection with customers.

2. Personalize customer engagement to make them feel valued

80% of customers are more likely to buy from a company that provides a tailored experience.

Customers need to feel important each time you interact with them. You cannot make them feel that you were interested only in making a sale. Create a sense of belonging to your customers and make them feel like part of your successes.

Integrating your live chat software with your CRM software offers end-to-end customer data to personalize your messages through the entire customer journey. You can access customer information on a single screen right when you begin a conversation with your customers and personalize your support messages to make them feel valued.



Find a way to be personal with your customers and connect with them on a human level.

Andrew Reid,
Founder and Chief Product Officer,
Vision Critical

3. Communicate with your customers on the channels they prefer

Brand engagement suffers a lot when businesses over-optimize their support and forget to put the customer at the heart of every decision. For instance, deploying chatbots on all website pages might seem like a quick fix to escalating ticket volumes, or being present on every emerging social media platform might seem like the right strategy. Still, it would be better to evaluate all your options. Consider which channels your customers most prefer and would facilitate easy engagement, and focus on those.

While live chat facilitates real-time communication with your online customers, chatbots allow for effective self-service. Depending on where your customers live, perhaps you should choose to integrate either Whatsapp or Apple Business Chat into your engagement strategy. At the end of the day, customers should be able to reach out with minimal friction.

4. Have a proactive engagement model

Most customer engagement on a website is reactive. Based on customer queries, brands offer information in the hopes of improving their conversion or purchase rates. However, customers get pitched a lot of generalized content during the day. Stand out by offering curated and highly

relevant content to a targeted segment of users. For instance, you can trigger a chat pop-up for customers logged in to your website and ask them if they need any help with your products. Proactive messaging also plays a significant role in reducing cart abandonment.



Average response time **1 min 4 sec**



Campaign response rate **25%**



Average resolution time **11 minutes**

How did BEL USA increase its response rate with triggered messaging?

BEL USA, the largest distributor of promotional products in the United States, uses Freshdesk Messaging's Triggered Campaigns to nudge customers to make a purchase. They use triggered messages to inform visitors about discounts. These messages have been viewed over 3.1 million times with an increased response rate of 28%.

5. Use in-product messaging and engage users while they use the product

In-product messaging is one of the best ways to increase engagement as they are highly targeted. Whenever a user completes an action or misses an opportunity, you can send in-app messages to remind them or give them that nudge to do something. For example, in Freshdesk Messaging, you can launch [In-App Campaigns](#) and Triggered Messages to target users based on their activity on your website and their geolocation and engage with them at the right moment. You can also create campaigns for a better onboarding experience or update users about new features and much more.



Increase in conversion rate with chat **10%**



Chat ROI with Freshdesk Messaging **2X**



CSAT score through chat channel **4.8**

How did Fantastic Services use proactive messaging to increase ROI?

Fantastic Services, a property maintenance services company, used the campaigns feature to bring in new customers via chat support. Through proactive messaging, they were able to capture the attention of their visitors. It also opened up opportunities for the customers to engage with them via chat.

6. Active measurement of customer feedback

Trying to improve customer engagement ends up being a guessing game if you don't track the engagement metrics that matter. Consider this—you have a great product and fantastic customer service. Even your lead conversion rate paints a very rosy picture. But somehow, your customer retention is falling through the cracks.

Feedback is a very crucial part of customer engagement. Make use of live chat performance data to collect real-time feedback from customers. You can even take your engagement a step ahead by deploying interactive chatbots to collect feedback. Optimizing your engagement becomes easy once you clearly understand your customers' problems.

7. Better employee engagement strategy

Several studies have found that [customer engagement takes a dive when employee engagement falters](#). If you dig deeper into the culture of businesses grappling to keep their customer engagement healthy, you will most certainly find them lacking a good employee experience (EX). The correlation directly impacts all your touchpoints, and it eventually hits your bottom line.

A great [EX often leads to a great CX](#) because the foundation of a strong customer engagement strategy is rooted deeply in how an organization thinks and feels. If you don't care for your employees and respect them, they will grow frustrated, and that emotion will eventually reflect in your customer engagement.

The remedy is to take an employee-first approach. Launch employee advocacy programs, start caring personally for your employees as people and cheer them for their personal and professional growth. Invest in the right tools to make support easier for your agents.

8. Adopting an omnichannel engagement strategy

While being accessible across multiple platforms seems like the best strategy to win customers, having too many disconnected points of contact can end up being a nuisance for both customers and agents alike.

Investing in a good helpdesk software will help you manage your customer conversations coming in from different channels, including live chat, website, mobile app, messaging channels, and social media.

PharmEasy



Decrease in support cost-per-order **50%**



Resolution time reduced by **75%**



Self-service ticket deflection **45%**

Pharm Easy, India's largest pharmacy e-commerce platform, handled a 200% surge in support tickets by switching to omnichannel support. Freshdesk helped them unify all engagement channels and brought their customer-facing teams on a single customer support platform.

9. Integrate with third-party apps

Integrating your live chat software with third-party apps for payments, self-service, and more makes it easier for your customers to navigate and complete a purchase with your website. With the right integrations, you should be able to integrate your live chat software with payments apps like Stripe, Chargify, and other CRM, billing, and cobrowsing apps for seamless customer engagement. As mentioned earlier, integrating your live chat with messaging apps like WhatsApp, Facebook Messenger, and Apple Business Chat will help you stay connected with your customers on their preferred channel of choice.

Measuring customer engagement on chat

Now that you've built a winning customer engagement strategy, it's essential to identify the right KPIs to give you the complete picture of your customer. Here are nine customer engagement metrics to keep track of and improve your strategy.



1. Number of chats

The number of chats is the total queries you receive during a specific time duration – it can be a day, a week, or a month. The number of chats can vary depending on the type of business, the time of the year, and the number of other available communication channels.



2. FRT (First Response Time)

First Response Time is the time elapsed between a query submitted by the customer and a reply sent by a live chat agent. This is a critical metric as the fundamental goal of a live chat is to provide instant communication between customers and companies. Therefore, the longer it takes for the first response, the unhappier the customer will be.



3. ART (Average Resolution Time)

Average Resolution Time refers to the average time taken by agents to resolve a query successfully. Since live chat offers real-time communication between the agent and the customer, it's a lot easier for agents to understand and resolve queries quickly.



4. Chat Duration

The amount of time a customer spends on your chat is an important metric to determine how happy the customer is with your support. Measuring the duration of chats with a customer can be valuable in two ways:

- It can show higher customer interest in your company or product.
- It can also show how well your agents handle customer queries.



5. Feedback Response Rate

Feedback response rate measures the number of times customers provide feedback in relation to the number of times asked. For instance, if a customer rates their experience twice out of 20 times, their response rate is 10%. Feedback response rates are essential for service-oriented companies, such as delivery apps, to understand engagement and service quality.



6. NPS (Net Promoter Score)

Net Promoter Score measures customers' likelihood of recommending your business and indicates a customer's loyalty towards your organization or product. It is one of the most important ways to measure the strength of your relationship with customers and predict the possibility of repurchase and expand growth through referrals.



7. CSAT (Customer Satisfaction) score

CSAT score measures customer satisfaction towards your company or product. In this case, you need to measure if customers are satisfied with their interactions with your live chat agents. CSAT score is often determined by asking a single question or a set of questions in the form of a survey sent at the end of a conversation to assess their experience.



8. Fallback rate

This metric tells you how many times your chatbot failed to deliver a correct response to your customers. If this metric is high, it is time to train your chatbots and update your knowledge base to make it easier for your chatbots to answer common queries.



9. Agent handover rate

Though chatbots handover complicated issues to agents, repeated failure to handle queries is something to look into. According to a survey, more than 50% of the customers said they are willing to talk to a chatbot initially if it would transfer them to an agent at the right time.

Customer engagement with Freshdesk Messaging

Freshdesk Messaging helps you create an effortless end-to-end experience from the moment customers come to your website, through post-purchase support.

Be where your customers are

Be there for your customers wherever they are – your website, app, or channels like WhatsApp, [Apple Business Chat](#), and [Facebook Messenger](#). Open channels based on what's popular in your region and with your customers.

Handle growing volumes with bots

Powered with Artificial Intelligence (AI), you can automate commonly asked questions with our intelligent chatbots to provide instant answers and delight your customers.

Connect all your favorite tools in one place

Our [Freshdesk Messaging marketplace](#) serves as a one-stop-shop for discovering and integrating your live chat with over 200+ powerful apps ranging from bots, CRM, automation, productivity tools, and much more.

Freshworks is trusted by businesses you know and love



After we launched Freshdesk Messaging, we ran a product survey through in-app Campaigns to get feedback on live chat adoption among our customers. In-app Campaigns prove to be very powerful in engaging with different segments of our customers."

Puja Anand
Program Manager, ZAP Subscribe, Zoomcar

Recommended by leading industry experts



2021 Gartner Magic Quadrant



Forbes Cloud 100



G2 Momentum Leader Spring 2021



Gartner Peer Insights Customers' Choice

Engage with customers on channels of their choice

Get started with Freshdesk Messaging