Taking Online Chat for Customer Service to the Next Level

Summary: Online chat customer engagement solutions have been expanding rapidly among banks. But when customers need to switch to a voice conversation, the transition can be frustrating if it requires closing the chat box and then dialing in to connect to an agent again. We discuss ways to take the headache out of online chat for customers and your CFI.

The world's oldest recorded customer service complaint was carved into clay in 1750 B.C. by a Mesopotamian named Nanni. He then sent the tablet to Ea-Nasir, the merchant who sold him subpar copper ingots. Now known as the "Complaint Tablet to Ea-Nasir," the tablet is on display in a London museum for visitors almost four millennia later to see. Businesses today are seeking much more efficient ways of communicating with customers than clay tablets, with the goal of providing helpful service that hopefully won't be immortalized in a museum exhibit.

One option is live chat, which has become an essential part of the customer experience. Live chat and chatbots have been on the rise at banks since the onset of the pandemic, when branches closed and banks needed another way to service customers. For example, at the start of 2020, just 4% of midsize banks and credit unions had deployed chatbots. By the end of the year, that number rose to 13% and has continued to climb exponentially. Gartner estimates 85% of all businesses will be offering live chat options by the end of this year.

Usefulness of chat for CFIs. While it is unclear what percentage of community financial institutions (CFIs) currently provide customer service via live chat, the service is rapidly spreading from big banks to small. A quick search turns up a number of CFIs that offer this digital service, with different asset sizes and geographic areas represented.

Arguments for online chat as a customer service option for CFIs include a quick fix for the high abandonment rate of digital account opening. Answers to simple questions or customer service access at the click of a button can help remediate this issue. On the marketing side, live chat is known to increase conversion rate �" the rate at which potential customers submit forms or take other actions toward making a purchase or soliciting a service. Adding live chat can boost conversion rates by 30%, according to a study of companies utilizing customer engagement solutions . Chatbots can also collect useful customer data to improve marketing and deliver more personalized recommendations and experiences.

Challenges of resolving complex issues via chat. Although live chat is convenient, it can be difficult to discuss complicated issues. Typing long questions and answers is cumbersome and time-consuming, and context can be tricky to convey. Chatbots can be even more limiting, since many can only provide pre-programmed answers. Others that use AI are more robust, but overall aren't as helpful as chatting with a live agent. It's because of these restrictions that, for customers with complex questions, talking the problem through on the phone or via video chat is often the quickest and most efficient way to a solution.

Unfortunately, when this situation occurs, many chat systems require the customer to close the online chat box and then dial in to a call center, where they're put back into the queue. The customer is then left with the

burden of resubmitting all of their identifying information and describing the problem again.

Integrating chat with other customer service mediums. While chat can offer instant gratification for simple issues, a live conversation can improve clarity, which is further boosted when the customer is able see the person they are speaking with. Transferring a live chat or a chatbot discussion to an audio or video call involves embedding a link between the two services into the online chat widget, so that the customer can move seamlessly from texting to conversation. Many online chat providers also have audio and video solutions that can be accessed from a chat window, and most allow API connections to other service providers that offer video and audio. Some chat solutions even let customers share their screens with a service agent, so they can guide the customer through an issue more efficiently. With so many integrations gaining popularity, it is only by pairing these solutions together that online chat can truly become the adaptable solution for creating a frictionless customer service experience.

For those CFIs that have deployed live chat or are in the process of doing so, now is a good moment to step back and evaluate the efficiency of your current online chat product and investigate shortcomings. Live chat needs an easy way to switch from a digital conversation to a spoken one to resolve complex issues without frustrating customers. If you are planning to use online chat as part of your customer service strategy, maintaining a good pulse on when and how to smoothly transition customers from chat to a live call or live video with an agent is the best way to ensure chat is more help than hindrance to your CFI.

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ECONOMY & RATES

Rates As Of: 09/06/2022 07:08AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	2.94	-0.02	2.88
6M	3.33	0.01	3.14
1Y	3.52	0.01	3.13
2Y	3.50	0.00	2.76
5Y	3.45	0.09	2.18
10Y	3.34	0.14	1.82
30Y	3.48	0.18	1.57
FF Market	**FF Disc**		**IORB**
2.33	2.50		2.40
SOFR	**Prime**		**OBFR**
2.29	5.50		2.32