

LIVEPERSON SUCCESS STORY

Shopping site utilizes LivePerson live chat solution to capture young adopters and close more sales

About Karmaloop

Founded in 2000, Karmaloop.com is an online apparel retailer catering to the global streetwear culture. The company retails over 70 of the hottest streetwear brands, and in 2006, introduced Kazbah, a section of its website where up and coming designers and artists can showcase and sell their designs. Because of its relationships with customers, Karmaloop is more than just a retailer; it's a community of style.

Global streetwear fanatics are invited to become representatives of the company, and earn points for cash or clothing for referring friends. The company runs KarmaloopTV, the first online network to provide an in-depth look into global street culture. The site features exclusive interviews with designers, brands, artists and musicians, as well as behind-the-scenes looks at events, parties and street culture at large. Today, Karmaloop is a \$40 million business, and has held a spot on *Internet Retailer's Hot 100* for the last three years.

The Challenge

Karmaloop customers are trendsetters, not trend followers. Ranging from 18-24 years old, Karmaloop shoppers are part of Generation Y, a generation with spending power in excess of \$200 billion each year and targeted to eclipse consumers of the Baby Boomer generation in spending power by 2017. While Karmaloop enjoys having early adopters as its most loyal customers, it also recognizes that the niche has its challenges. In order to satisfy "Gen Y's" broad use of media and fickle attention span, Karmaloop needed to pull young consumers into online experiences quickly and keep them interested long term.

"Our customers have an attention deficit. If they have a question and someone isn't immediately available, we lose the sale. Our customers are 18 to 24 years old, and they won't call an 800 number to ask how black a jacket is, or if a shirt tends to run long. They'll just click off the site," explained Anand Shah, Chief Operating Officer of Karmaloop.

Another challenge was building credibility among prospective customers. Karmaloop needed a way to establish the legitimacy of its website, and communicate it quickly to new visitors. Are Karmaloop's products legit? Wary visitors want assurance before they provide their credit card information.

Finally, the company needed to cut down on the number of service related calls and emails. "These types of interactions require too much back and forth between us and the customer. We'd much rather resolve issues immediately, before a customer even buys a product," said Mr. Shah.

Proven to increase conversion rates and reduce total volume of interactions by taking multiple customer queries at once, live chat seemed like a clear solution to these challenges. This, partnered with a strong preference for text-based communication from Karmaloop's customers, made live chat an obvious choice. However hiring, training and managing chat agents can be a big endeavor; for a company that already had its hands full with community-development innovations, building an internal chat team wasn't really an option.

The Solution

In response to LivePerson's proven results and the strategy to include a text-based online customer service, Karmaloop implemented LivePerson's award-winning live chat solution. Today, website visitors who have questions on colors, sizes and other options chat with site representatives who can provide answers well before orders are placed. As anticipated, the company's text-loving customers have fully embraced the channel. Karmaloop visitors initiate some 200 to 250 chats per day, but that number can spike to 500 daily chats during the holiday season.

"Providing answers in real time eliminates hundreds of service-related calls each day. That helps us streamline our internal resources, and better focus on more core business related issues," Mr. Shah said.

Outsource Chat Agents: Rather than hire and maintain an internal chat team, Karmaloop engaged Live Salesman, a LivePerson certified outsourcing provider, to handle its chat traffic. Live Salesman provides chat agents who represent Karmaloop to its website visitors.

LIVEPERSON SUCCESS STORY

"Outsourcing to Live Salesman was a good solution for us. Their agents already knew how to e-sell and upsell orders. And of course, they were experts in LivePerson's software. We just had to train them on our product line and our demographics. We've found that using an outsourcing provider is no different from having our own team. We just need to be committed to the product training, that's all," said Mr. Shah.

Karmaloop worked with Live Salesman to develop sales scripts that resonated with its trendsetting customer base. "Scripting is very careful. We want to use their language, but we also want to remain very professional. We've been very successful with the scripting. It shows in our sales," Mr. Shah said.

"Providing answers in real time eliminates hundreds of service-related calls each day. That helps us streamline our internal resources, and better focus on more core business related issues,"

—Anand Shah,
Chief Operating officer
of KarmaLoop.

Tangible Results

Increased Sales and Revenue: LivePerson also helps Karmaloop chat agents facilitate sales. "Answering questions in real time keeps the lead hot. If a visitor has to call back or wait for an email, the sale is dead," said Mr. Shah.

Karmaloop chat agents also use LivePerson's push page technology to up sell orders. Rather than simply facilitate a sale of a jacket, chat agents will suggest accessories that will go along with it.

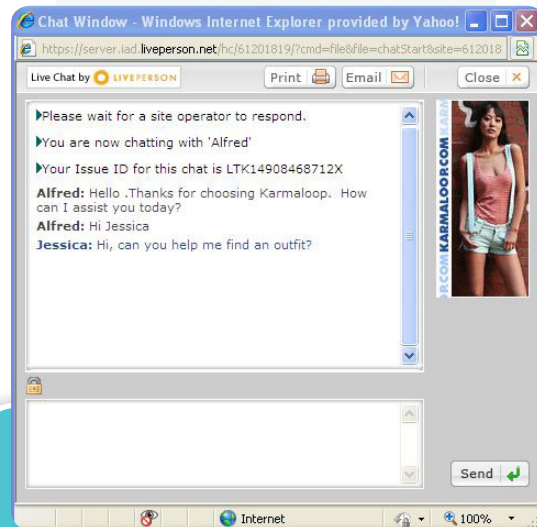
Credibility: LivePerson has enabled Karmaloop to establish immediate credibility with website visitors. "When new customers chat with a real person, we become more credible. This was our number one goal for chat, and we are pleased that we have achieved it. Credibility is a critical factor in earning a sale," said Mr. Shah.

About LivePerson

LivePerson is a provider of online engagement solutions that facilitate real-time assistance and trusted expert advice. Connecting businesses and experts with consumers seeking help on the Web, LivePerson's hosted software platform creates more relevant, compelling and personalized online experiences. Every month, LivePerson's intelligent platform helps millions of people succeed online; more than 8,000 companies, including EarthLink, Hewlett-Packard, Microsoft, and Verizon, rely on LivePerson to maximize the impact of the online channel. LivePerson is headquartered in New York City.

Contacts

LivePerson, Inc. T: 212.609.4200
462 Seventh Avenue F: 212.609.4201
3rd Floor consultation@liveperson.com
NewYork, NY 10018 solutions.liveperson.com



LivePerson offers Karmaloop's young, impatient audience a real-time alternative to an email or telephone engagement. Live chat keeps sales hot and ultimately closes more business by maintaining customer engagement.