

# Click “Yes” If You Understand Preference Management

## *The Simple Explanation + 4 Reasons Why It Matters Right Now*

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In the past, I was often confronted by CMOs and CEOs who had no idea what I meant when I talked about “preference management.” I spent a lot of time evangelizing in front of white boards, deconstructing the process and translating it into plain English.



Fast forward two years and the landscape has changed completely — senior executives are demanding preference management from their IT teams, asking me for advice on it and telling industry analysts it is essential to their customer experience efforts. It’s exciting! But in some cases, the momentum has surpassed comprehension. I’ve learned that many still don’t understand preference management, only now that it has joined the marketing vernacular, they are afraid to ask.

So here’s the explanation: Preference management is the active collection, maintenance and distribution of unique consumer characteristics, such as product interest, communication channel preference and frequency of communication.

These preferences are not derived by profile data, purchase history or where they are on your website; rather, they are expressly stated by the consumer themselves. In other words, preference management means giving your customer and prospects the ability to conveniently communicate with your company, recording the information in a central location and acting on what they say.

Sounds simple, right? In truth, it can be incredibly complex for an enterprise-level company with numerous customer touchpoints, departments, offerings and locations. As larger organizations delve into the topic, they soon discover why preference management is easier said than done.

But here’s why it matters so much right now: we live in an opt-in world full of perpetually-connected consumers who expect to be understood as individuals and whose behavior blurs the lines between sales, marketing, support and service. Whew. Let’s break that statement down.

### **1. It’s an opt-out world.**

The days of “spray and pray” marketing are over. Privacy and consumer protection regulations have shifted dramatically and continue to evolve every day. Companies that act without permission, or that collect and store permissions incorrectly, are doomed to failure. Moreover, forward-thinking companies have found success through engagement and true consumer advocacy. So it’s not just a stick – there is an enormous carrot driving the shift to permission-based marketing.

## 2. Full of perpetually-connected consumers...

The explosive increase in the number of people who access the Internet multiple times a day, from multiple locations, with at least three devices, cannot be over-emphasized. They're ultra-connected and always addressable and according to Forrester Research, these perpetually-connected customers already made up 42 percent of online adults in the US and 37 percent in Europe by the end of 2012. By the end of 2013, Forrester predicts that almost half of online adults globally will join this revolution. That means a huge increase in interaction — opportunities to succeed (or fail) with consumers around the world.

## 3. Who expect to be understood as individuals...

Consumers are selecting companies who engage them and seek their input. In fact, According to Forrester Research, more than 75 percent of consumers say companies should let them decide how they can be contacted. Customer-driven relationships and personalization have become powerful competitive differentiators. In a digital world where commerce is driven by 24/7 access and unlimited options, simple transactional marketing has become table stakes. Consumers expect the Amazons and Travelocitys of the world to know what they purchased and when they purchased it. True personalization has become the key to standing out and engaging customers on a meaningful level.

## 4. And whose behavior blurs the lines between sales, marketing, support and service.

The siloed corporate structure of yesteryear is being challenged in new and interesting ways. Preference management typically represents a “crossover” initiative — one that begins as a marketing project, gains traction through IT and finds great application in customer service and support. Moreover, in its aim to unify the company's view of a consumer and make information available through a central repository, an effective preference management program acts as a silo breaker inside companies, encouraging a holistic view of customer interaction.

As more and more voices join the preference management chorus, we can't let the core definition of the phrase get lost in the customer experience weeds. It's a simple but powerful concept and one whose time has certainly come.



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