PREFERENCE COLLECTION BEST PRACTICES

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Introduction

WHAT'S INSIDE

For the purposes of this paper, "preference" is defined as a self-reported opinion related to interaction between customer and company on topics such as product interest, channel of choice and frequency of communication.

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

With that in mind, we can further segment preferences into three simple categories:

- **Contact preferences:** refer to how, when, and how often the customer wants to communicate with a company. Contact preferences should be defined for both operational and promotional messages. For example, a customer may give permission to be contacted via SMS and email. However, they would prefer to only get SMS messages about urgent issues or opportunities, and request that email is used for monthly statements or weekly sales notices.

- **Product preferences:** refer to what the customer is most interested in communicating about. Whether in respect to brands, products, or services, reliable knowledge of what customers are interested in today and in the relatively near future can be invaluable.

- **Personal preferences:** refer to the most unique and individual preferences that a customer would share with a company about their wants, needs and desires. For example: the dates of important events, their significant other's shoe size, their favorite color, or their preferred travel options.

With a working knowledge of preferences in hand, attention can be turned to the process whereby they are collected. To some, the phrase "preference collection" refers to a passive or automated process of harvesting readily available customer information and leveraging it for sales and marketing purposes. In many cases, enterprises view web behavior tracking and prior sales data as a form of preference collection. While these activities have value and appropriate application, they are "implied" and don't represent the best or most effective form of preference collection.

In order to discover and leverage truly powerful preference data, enterprises must view collection as a dialogue and invite customers to actively declare their needs, likes, dislikes and privacy parameters.

How Customers Reveal Preferences

By framing the collection process as a progressive conversation, enterprises are better able to understand and plan for the true nature of customer communications. Research indicates that customers reveal their preferences in iterative steps related to their evolving interest in what a business has to offer and their perception of what the business will do with the information that is disclosed.

Research clearly shows that customers are much more willing to provide information when it is:

A) Presented in context,

B) Offers a clear benefit to them (i.e. saves time, saves money, rewards, etc.), and

C) Is easy to understand and an easy task to complete.

In many ways, preference collection lies at the intersection of a customer's interests and the interests of the company hoping to serve them. Seen in that context, it is clear that the interaction can be compromised when one party's interests outweigh the interests of the other party.

For example, a lengthy and complicated registration page can act as a barrier to a trial software download because the customer's interest in the product is not significant enough to justify the time required to fill out the form. The company over-emphasized its own interests at the expense of the customer and as a result, lost a valuable prospect. When trust is not established slowly between the customer and the company, the customer is more likely to question how the information being collected about them will be used. In fact, according to recent research from Eloqua, mean conversion drops significantly with more than 6 fields are on a form.

Expanding to Multiple Touchpoints

The goal for preference management is to allow preference collection to take place across the full spectrum of prospect and customer interactions. Enterprise-level businesses engage in complex interactions that often feature an expanding set of personal and virtual interactions. It's essential to collect and react to information from all touchpoints such as call centers, social media and mobile devices, not just the easy or inexpensive ones such as email or websites.

Here are the six most common customer interaction points where enterprises must collect preferences. As the preference management program develops, these points represent excellent targets for inclusion:

1. **Acquisition marketing.**
   Building awareness and earning a purchase is a purposeful and complicated process. Yet many companies fail to use these interactions as opportunities to learn about communication channel of choice, preferred product segment or other information that could make the difference between a window-shop and a sale.

2. **Product and/or services support.**
   With the sale secured, customer interaction often passes to support — an entirely different team operating a different CRM, a different database and a different mindset. Customer data can be lost in the transition, slowing the support process and presenting a fragmented and contradictory experience to the customer.

3. **Website services and functions.**
   With very few exceptions, customers begin their journey to sales, support or social interaction with the brand on the web in an effort to find the information they want in way that is convenient to them. The website is not just a critical opportunity for preference collection, it's also one of the cheapest and most efficient means to do so.

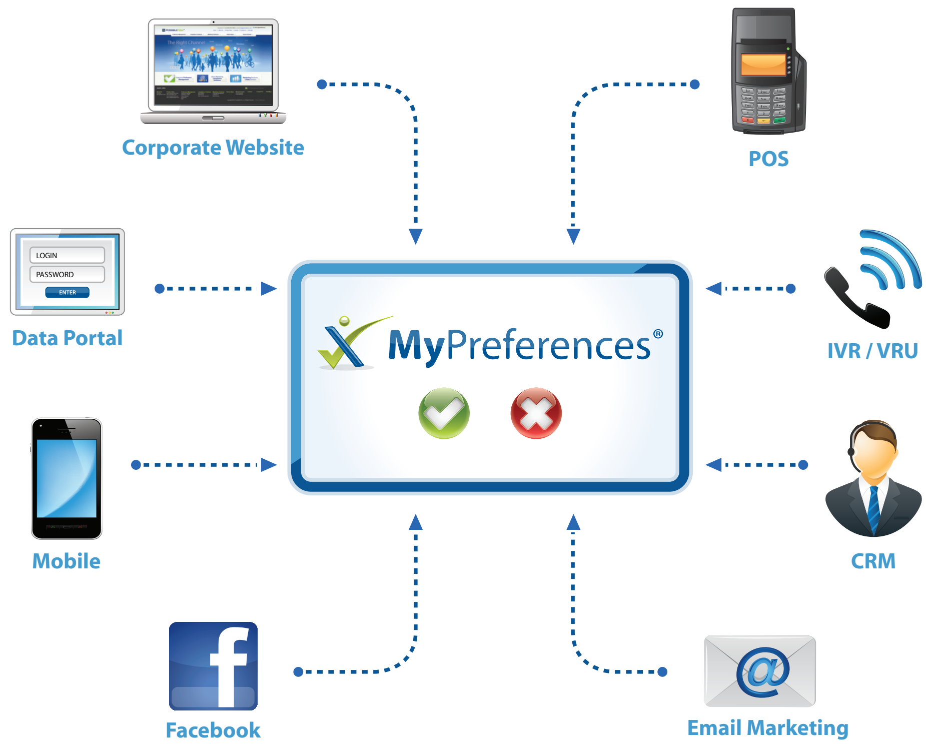
4. **Account services.**
   For most consumers, the can't-miss brand interaction is the payment process. Learn how and when your customers want to be billed and find innovative ways to remind them to do so. You'll be rewarded with improved receivables collection and preference data applicable to new sales.

5. **In-store and point-of-sale (POS).**
   Many enterprise businesses maintain physical locations where key tasks are handled through human interaction. While much attention has been paid to culture and customer experience in the store environment, too little has been directed at preference collection and distribution. Arm your staff with timely data and give them the opportunity to add to the customer profile.

6. **Emerging channels.**
   As more and more customer rely on SMS and social media for interaction with each other and brands, enterprises must stay ahead of new technology adoption to continue to remain relevant and connected with their customer base. The addition of a communication channel becomes a value add reason to reach out to a customer to further enhance the relationship and better understand the customer's profile.

Where to Collect Preferences

Customers view companies as one entity, not as individual business units or discrete functional groups (e.g. sales, customer support, and so forth). In order to support customers' expectations, preference collection should take place across the full spectrum of prospect and customer interactions. Enterprise-level businesses engage in complex interactions that include an expanding set of personal and virtual interactions. It's essential to collect and react to information from all touchpoints such as call centers, social media and mobile devices, not just the easy or inexpensive ones (e.g. email or websites.)



It is also imperative that once preferences are collected at a given touchpoint that they are passed seamlessly across the organization. A customer dialing-in to a call center will expect to have the ability to change their preference information for all communication channels as part of that transaction. Enterprises should take advantage of every customer interaction to learn more about the customer to establish deeper relationship, understanding and ultimately better service their customers' needs.

Collection Interfaces

The conversational model of preference collection demands convenient, timely, branded experiences that seamlessly align with the customer's priorities in a given interaction. For example, a customer completing an online product warranty is unlikely to be willing or interested to spend additional time predicting future purchases or stating marketing preferences related to new products.

Their priority during the warranty process relates to the product already purchased and the sellers' ability to support that product through its lifecycle. Leveraging that opportunity to secure product support preferences is a natural extension of the interaction initiated by the customer and valuable in it's own right.

With this principle in mind, the design and functionality of collection interfaces require customer-centric decision-making.

1. **Define the value.** What's in it for me? Unless a customer is convinced that you can deliver relevant, timely information that's important to them, they are unlikely to stay in the conversation. Reciprocity of value begins with the company — make a clear statement of value and customers will respond positively.

2. **Provide communication options that suit customers' needs.** Using a "one-size-fits-all" marketing approach weakens the value proposition and suggests the entire relationship will be inflexible and advanced only on the company's terms. Make it easy for customers to select channels and frequency of communication that works for them.

3. **Invite customers to join a conversation, not a monologue.** Establish feedback patterns that make it clear the company wants to listen and gear the experience around a customer's evolving needs. Understanding how to talk back is just as critical as the decision to engage at all.

4. **Clearly state how the company will use a customer's information.** Explain why the customer data is being collected and how it will be used. This initiates a cycle of reinforced trust and customers are more than willing to reward companies that make and keep promises about value, privacy and relevance.

5. **Establish a clear path to opting out.** Customers are far more likely to start a relationship if they own the ability to end it someday. It's a key component to building trust and must be clear with the initial invitation.

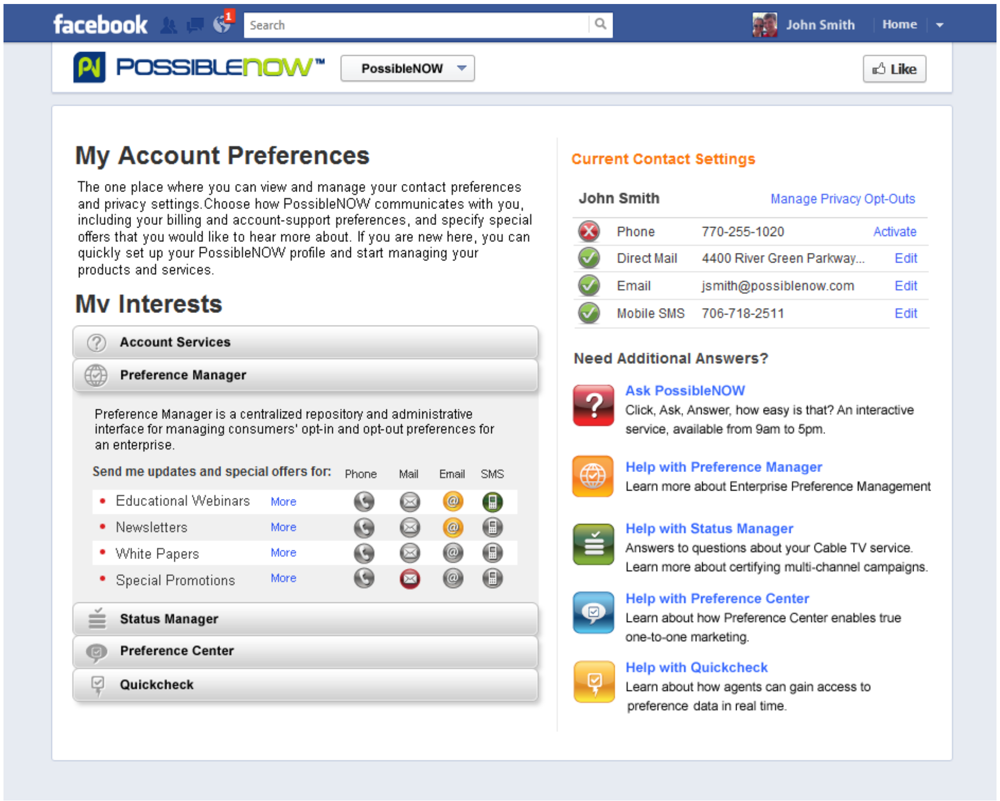
6. **Offer the ability to "opt-in" through a thoughtful, branded experience.** If a customer is attracted to a brand or company, reward them with an opt-in experience that owns that brand as fully and completely as the products and services they are seeking. All too often, opt-in screens and messages represent un-branded interruptions that feel cheap, careless and disconnected.

7. **Don't bombard customers with communication requests.** Ask early but not over and over. Respect a customer's awareness of the initial offer and make it good enough to earn their careful consideration. Nagging and prompting for communication through various channels suggests the relationship you're asking for will be equally annoying.

8. **Keep it simple.** Ask only for key data points that will clearly aid in delivering a better experience for the customer. Lengthy forms and fields that don't seem to relate to the task at hand are aggravating and create suspicion about how the company plans to use the information.

9. **Ask at the right time.** In other words, position opt-in requests to coincide with positive brand interactions. If the customer is engaging with a brand to resolve a complaint, make sure it's addressed to their satisfaction before asking to elevate the relationship.

10. **Listen and learn.** Companies with active social media listening tools can spot organic opportunities for an opt-in and react quickly to capture them. A compliment on Twitter represents a wonderful starting point for a more engaged relationship — be prepared to act on it!



Conclusion

Course-Correcting from Early Implementation

Preference collection is an evolving process and is never really considered "complete." To use a corollary to the personalized marketing mantra, the key is to elicit the right preference, from the right customers, at the right time.

The underlying framework and functionality for collecting customers' permissions and responding to their preferences should be relatively stable. However, the content and context of preference collection mechanisms must be structured to quickly change.

Sustaining agility to meet rapidly changing business and customer needs requires that solutions be constructed with "dynamic content" and the content owners (typically the business) in mind. When the content (in this case customers' permissions and/or preferences) is in turn used to drive changes to other processes, the challenge of keeping both systems and processes in sync is compounded.

Critical junctures following preference management implementation include:

Analysis and reporting:
With a useful data set in hand, companies can review customer behavior and responses and measure them against pre-determined goals. Are opt-outs being converted to targeted opt-ins? Is the business unit in question experiencing a reduction in prospect churn? Are customers selecting paperless communication in meaningful numbers?

Creative review:
Based on the findings described above, it may be advisable to review screen and interaction layouts to improve customer comprehension and speed the conversion process. An example of this would be persistent bounces (site departures) from a given screen – a classic symptom of unmet expectations. Review the screen to ensure that fields and interaction points are clear and unmistakable.

Content review:
Much like the design review, the preference management content must also be assessed in light of early data. The relative length and complexity of information a company solicits from a customer at a given interaction point is a typical target for adjustment. If the preference management ask is too short, a valuable opportunity is missed and favorable results are slowed. If the ask is too complicated or too long, customers will exit the interaction altogether.

About PossibleNOW

PossibleNOW leverages powerful technology and industry-leading expertise to enable companies to listen to customers, remember what they like and dislike and respond in useful, personalized ways. It's enterprise preference management platform, MyPreferences®, collects customer and prospect preferences, stores them safely and makes them available to any other system or application in the enterprise. PossibleNOW strategic services experts identify opportunities, plan technology deployments, design preference collection interfaces and position clients for a win. PossibleNOW is purpose-built to help large, complex organizations gain control over communications, mitigate compliance risk and reduce marketing expenses while improving customer experience and loyalty.

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