

# IMPLEMENTATION OF PREFERENCE MANAGEMENT

## A PHASED APPROACH

By Ron Patrick, Director of Product Architecture



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## Prepare for Success

Preference management typically represents a “crossover” initiative — one that begins as a marketing project, gains traction through IT and finds valuable 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. In short, it can be complicated.

Once the educational and budgetary hurdles are cleared and an enterprise has decided to introduce preference management into its technology architecture, a new challenge arises: where to begin?

For some, the challenge is artificially enlarged by the ideal they hope to attain: preference collection at every touchpoint, seamless integration between systems and a 360-degree view of every customer available on-demand. Overwhelmed by the sheer scope of work, the project team cools and inertia becomes a threat.

For others, preference management is a series of steps, each one building on the last, each further proving the validity of the original value proposition and demonstrating its worth in a progressive series of tests. This is the model for success.

The modern enterprise-class company is, in part, a living museum of hardware, software and the various systems designed to connect it all together. Authority over these assets (and, in some cases, liabilities) is spread between multiple departments and leadership hierarchies. In addition, some enterprises’ corporate leadership structures are ill-equipped to meet the diverse challenges presented during the implementation process.

In the following pages, a clear and comprehensible path towards implementation will be demonstrated. While the nearly limitless variability of size, existing architecture, decision-making process and other factors make it impossible to present a truly universal playbook, this paper is intended to offer useful guideposts with application to a broad array of organizations and needs.

# Targeted Introduction

In its ideal form, preference management should be present at every interaction point between company and customer, such as mobile, social media, in-store, contact center and more. However, a sweeping introduction of new functionality across the enterprise would require approval from many stakeholders and could quickly become bogged down or even abandoned. In many cases, preference management leaders choose a specific brand or line of business to use as a start-up program to prove ROI and gain momentum before seeking company-wide application.

The best starting point for many enterprises is an intentionally-limited start-up project designed to speed the journey towards ROI. Here are three simple preference management goals (offered in order of complexity) that can be proposed, piloted, budgeted and achieved within a reasonable timeframe.

- 1. Offer opt-down functionality in email marketing:** instead of defaulting customers to an all-or-nothing engagement choice, give them the power to tailor communications to suit their interests. Offering an opt-down option drastically reduces opt-outs and helps marketers focus messaging on topics of interest.
- 2. Install a website preference center:** an easy-to-use portal where customers can create individual profiles, select topics of interest, preferred delivery channels and pace of communications. Preference centers empower customers to maintain their preferences as their interests change over time.
- 3. Expand to a secondary channel:** with a preference center in place and opt-down functionality already in progress, expand the program to the contact center and leverage service and support calls as opportunities for consent and personalization.

An excellent example of this approach can be found in the experience of a leading national software company that develops financial and tax preparation tools for small businesses, accountants and individuals. The internal marketing team was struggling in recent years with mounting opt-out numbers — prospects and customers that were acting to prevent future communications from one of their lines of business and in doing so, were legally and permanently preventing the company from ever sending them communications again from any of their lines of business.

In an effort to stem the tide, an opt-down program was initiated within a selected business unit. When a prospect or customer chose to opt out of a given communication, they landed on an opt-down page where they were given the opportunity to opt out of (or into) any number of specific channels. The preference center also allowed customers to refine communications channel of choice, set frequency parameters and more. In other words, they were given the opportunity to personalize their experience instead of an all-or-nothing choice.

Within months of launching the program, the marketing department was able to report a greater than 60 percent conversion rate from opt-out to targeted opt-in. Extrapolated across the enterprise, that rate represented 200,000-250,000 opt-out saves over the same period of time. Bolstered by the data and the bottom-line savings it confirmed, the enterprise moved forward with an expansion of the broader preference management initiative.

# 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.

# Centralizing Data

Preference management should be a central repository connected to all departments, units, and appropriate applications. If information isn't easily available across the enterprise, customers will be lost through repetition, contradiction and frustration with a business that doesn't seem to remember what they want and doesn't send them the content they expect and need.

The requirement for a centralized system underlines the need for a truly neutral preference management solution. Native architecture that is incompatible with various CRM systems, ESPs, or contact center management platforms is doomed to failure.

In addition, centralization of prospect and customer data is critical for compliance and risk mitigation. Centralization reduces risk and enhances safe harbor positioning by providing monitoring of critical compliance activities and establishing complete audit records of preference history. Moreover, it facilitates quick responses to inquiries and customer complaints and should improve vendor accountability through process and activity monitoring and alerts.

In short, centralization empowers oversight and allows for organizational governance. For example, when a leading satellite radio service began a preference management implementation project, its IT department discovered that preferences were being captured and stored in myriad disconnected systems, such as the website, contact center, marketing services, Excel spreadsheets, and more.

Alarmed by the risk presented by passive possession of so much data, the enterprise pivoted to an intensive process of assessment to determine what was valid and actionable, what was obsolete and what was simply irretrievable. They engaged PossibleNOW to act as that essential central repository, a proven architecture that could connect to their entire roster of stove-piped systems and frameworks.

## Track Results and Prove ROI

By limiting the scope of the original preference management project, enterprises can simplify metrics and create powerful business cases for additional investment and expansion. In many instances, preference management is initially introduced as an opt-down initiative designed to convert opt-outs to targeted opt-ins. Within 90 days of full implementation, opt-down initiatives have been shown to convert opt-outs to targeted opt-ins by more than 60 percent.

Simple steps for tracking and ROI demonstration include:

**1. A clearly outlined initial implementation.**

As cited previously in the example of the financial software company, limitation of original scope and clear benchmarking (converting opt-outs to targeted opt-ins) is essential.

**2. A reasonable timetable for results.**

In concert with the implementation team, create a realistic timetable to manage internal expectations and allow the program enough room to demonstrate value.

**3. A detailed “before” picture.**

Prior to launching the program, assess the current state of affairs and define what is being collected, where it is stored, how many are opting out, and so forth.

**4. Once the program is in place, frequently assess results and course-correct.**

In many instances, the challenge of serving as preference management “champion” inside an enterprise is one of connecting departments that wouldn’t otherwise share information. An internal advocate may be a necessary linchpin required to keep the project on track.

**5. Translate preference collection to bottom-line value.**

In other words, assess the opportunity cost of an opt-out and, in turn, create a value for a targeted opt-in. Without a bottom-line layer to reporting, ROI may be misunderstood.

**6. Don’t just explain the difference.**

If given the opportunity, demonstrate the future. Presentations that marry results with before-and-after screen shots featuring opt-down functionality and preference center designs help decision-makers see the bigger picture and embrace the effort.

The solution to preference management implementation is breaking it down into a series of actionable steps. Prepare for success, select a targeted introduction point, expand gradually, centralize data, track results and prove ROI. For enterprises seeking the enormous marketing and risk mitigation rewards that come from listening to and learning from consumers, it is an essential step.



# About PossibleNOW

PossibleNOW leverages powerful technology and industry-leading expertise to enable companies to listen to customers, remember what they like and respond in personalized ways. Its enterprise consent, data subject access request and preference management platform, MyPreferences®, collects customer data, stores it in a central repository and makes it available to other applications across the enterprise.

PossibleNOW's professional service experts create strategic roadmaps, plan technology deployments, and design consent and preference collection interfaces to position clients for success. PossibleNOW is purpose-built to help large, complex organizations gain control over communications, mitigate compliance risk and reduce marketing expenses while improving customer experience.

**For more information:**

**call (800) 585-4888 or (770) 255-1020**

*or*

**email [info@possiblenow.com](mailto:info@possiblenow.com)**

*or*

**visit [www.possiblenow.com](http://www.possiblenow.com)**