

Nutritious and Delicious: 5 Reasons Why Preference Management Is Good For Marketing ROI

by Scott Frey, PossibleNOW

As more and more CMOs seek to implement preference management systems — the active collection, maintenance and distribution of unique consumer characteristics, such as product interest, channel preference and frequency of communication — a good deal of the inquiry and effort has focused on risk mitigation and regulatory compliance.



And rightly so. Privacy and consumer protection laws are quickly evolving towards a fully opt-in, permission-based model. Meanwhile, consumer beliefs and behaviors are shifting even faster. Consumers are selecting (and rewarding) 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.

With that statistic in mind, I'd like to remind everyone of the enormous ROI and bottom-line revenue benefits of a robust preference management solution. It's not just a compliance initiative, it's a thermonuclear sales weapon.

Yes, the proper collection and storage of customer records is essential to lawful marketing. But I'd argue that it is also essential to *effective* marketing, a term that many in the industry have forgotten as they became accustomed to sub-one percent return rates on emails and snail mail drops.

Here are five simple reasons why preference management is not only good for you but tastes great, too.

A robust, sophisticated preference management solution will:

1. Expand the pool of prospects.

This is the most obvious benefit of preference management but one that is still overlooked. By reducing opt-outs and increasing opt-ins, the overall size of the engaged audience grows... and grows... and grows. Keeping a prospect in the system does more than improve the quarterly stats — it represents an ongoing sales opportunity that can and should be converted for revenue.

2. Create targeted sales opportunities.

Through ongoing collection of preferences, opportunities will emerge that the savvy marketer can proactively leverage to their advantage. For a clothing retailer, understanding gender, product interest and channel of choice could result in a seasonal swimwear promotion via email instead of a one-size-fits-all brochure or catalog. And targeted promotions achieve higher response rates and ROI.

3. Shift staff time and budget dollars from guesswork to fact-based decision-making

A marketing team that only has access to de-contextualized purchase patterns and customer shipping addresses spends a lot of time assuming, hoping and dreaming. They create campaigns based on assumptions about their target audience, hope that it works and dream of a day when better data will become available. Supplying the team with verifiable preference data changes the game and rescues dollars and hours from speculative efforts.

4. Allow marketers to course-correct on the fly.

Efficient preference collection from multiple touch points allows marketers to see meaningful outcomes before it's too late. When customers and prospects flee the campaign's primary distribution channel, it could signal a conceptual problem between brand and intended audience. Real-time feedback through preference management creates an opportunity to reassess a campaign before it floods secondary and tertiary channels and does real damage.

5. Empower marketers to focus on marketing, not regulatory compliance.

Secure in the knowledge that their audience has opted-in and delivered legal consent for communications, marketing professionals can spend more time crafting the right message and less time wondering what channels they can actually leverage under the law. In many ways, an efficient preference management system acts as a catalyzing force for marketers, unleashing them to do what they were originally hired to do.

Make no mistake — risk management has become an important part of the CMO job description and preference management addresses a number of critical challenges. But it's also the key to lasting customer engagement, real-time responsiveness and almost everything else worth bragging about at a quarterly marketing assessment meeting. Modern marketing is an interaction, not an interruption. Knowing your customers and prospects is essential to respecting their rights while earning their business.



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