

Preference Management for Multi-channel Communications



A Madison Advisors Brief
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EXECUTIVE SUMMARY

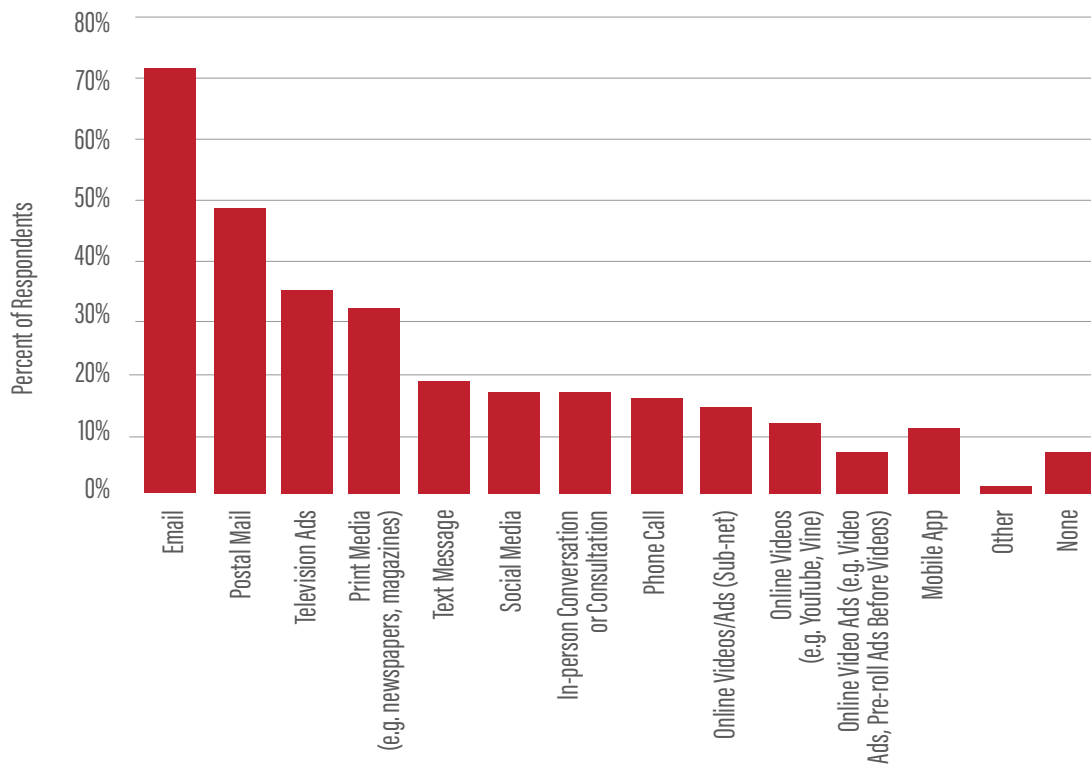
The customer experience, or how a customer looks at, thinks about and feels about your brand is the product of the interactions and touchpoints over the duration of the relationship. The better the customer experience, the more likely customers will do business with you and in some industries, it's the customer experience that has become a true differentiator.

As a result, companies understand the management of the customer experience is absolutely critical to achieving customer retention, revenue growth and operational efficiency and they are investing hundreds of millions, if not billions into people, processes and technologies to drive and evolve the customer experience to create "happy" customers. Price and product will remain important, but a customer's experience could surpass them.

"By 2020, Customer Experience is expected to surpass product and pricing as the key differentiator for business."
- Forbes

To help drive exceptional customer experience, brands must allow the individual to decide their personal preferences for the interactions and touchpoints. Known as customer preference management, the underlying technology receives, records and maintains individual customer preferences as to how, when and where they want to be communicated with. Ultimately, customer preference management helps the brand build trust with the individual customer which creates the foundation for a long-term, mutually beneficial relationship across channels—paper email, mobile, social and more. Online and big box retailers continue to make tremendous strides in this area. They continue to learn individual advertising preferences and leverage that data to execute retargeting campaigns, such as showing you ads for merchandise you've viewed at an online store even as you visit other sites, in hopes that the reminder will persuade you to complete the purchase.

Unfortunately for the service providers, no matter if they are internal to the enterprise or an external PSP business, the range of interactions and touchpoints continues to evolve so therefore, customer preference management continues to evolve. This becomes a growing challenge for organizations as they try to adapt their systems to manage the change during the digital transformation of customers and keep the customer engaged in conversation.



N=2,057

Source: MarketingSherpa

Figure 1: Which of the following ways, if any, would you prefer companies to communicate with you?

MARKET TECHNOLOGY

Preference management solutions can either be purchased, purposefully built, or some hybrid of the two and no matter if it is for the service provider or the enterprise, the design and functionality interface is just the beginning.

For the both the enterprise or service provider looking to integrate preference management services into their existing multi-channel output systems, there are a number of technology providers that have innovative point solutions and applications designed to do so. CEDAR Document Technologies, Crawford Technologies and NEPS are just a few that have developed technologies that are specifically intended to create a bridge between legacy and proprietary core processing and workflow systems to enable integration of preference management capabilities for their end customers.

In some cases, the enterprise or service provider may be looking for complete, end-to-end solutions that ultimately become the centralized repository by integrating with ERP, HRM, and CRM systems. Organizations like PossibleNow provide a centralized preference center to handle multiple communication channels across all

all lines of business instead of managing multiple preference centers such as one for email and another for mobile. And with this type of technology, the enterprise can add additional pieces of information to the customer preference profile as the interactions and relationship builds over time. This helps to establish boundaries while maintaining brand consistency over any and all channels.

No matter the technology, as your preference management program starts to gain traction, it's essential to expand and capture the variety of customers' interactions and methods of communication.

"A centralized, multi-channel preference management solution is an essential element of the modern enterprise marketing technology suite. It provides something that no CRM, ESP or marketing automation solution does: the ability to collect, manage and share preferences and consent across every brand and customer touchpoint, while helping ensure compliance with marketing regulations such as TCPA, CASL and GDPR."
PossibleNow

CHALLENGES

The active collection, maintenance, and distribution of unique customer communications across preferred channels and frequency preferences has proven to be a very complex process for companies with multiple business units, departments, databases and communication channels. Solutions must address all channels and seamlessly aggregate information to present a holistic picture of the customer in order to fulfill individual requirements.

Preference management platforms are undergoing rapid transformation as solutions in relatively new technical categories (e.g. content management, preference management, data mapping) are made available. Suppliers will need to expand offerings to include greater flexibility expanded preference management strategies to accommodate enterprise requirements. Here are just a few of the key challenges faced by the enterprise when developing and/or enhancing a preference management solution.

- *Leadership and Talent* - This starts from the top, developing a proper strategy, having the right talent to execute, changing the culture accordingly and managing ongoing distractions.
- *Security* - Identity theft affects almost 20 million residents in the US annually (Bureau of Justice Statistics) making the safeguarding of personal information and data is paramount.
- *Compliance* - Companies today must accommodate customer preferences to meet state, federal and industry regulations including ADA requirements for braille, large format, e-text and audio formats.
- *Business Intelligence* - Business users want and need information from data siloes spread out over the enterprise running on non-compatible technologies. This drives a need to consolidate, coordinate and create authorized accessibility to the information that will be used by the enterprise as a whole.
- *Integration and interoperability* - Highly configurable solutions allow for optional services and components to be plugged-in or unplugged without the need for code customization.

STRATEGY

Technology does not drive digital transformation, strategy does. Preference management should not be designated as just another IT project, but should be part of a company's digital transformation strategy and should be driven by executive management. To encompass the development and expansion of the preference center and proactive management of the flow of data into and out of the organization, it requires the coordination between and the cooperation of all lines of business. It needs the leadership from the top along with strong resources including IT, project management, analysts and consultants to do the job right the first time.

Follow the money. During the definition and analysis phases for the development of a preference management system, it is critical to zero in on the customer retention, revenue growth, operational goals and the costs of the technology investments required to meet them. Again, this should be part of a company's digital transformation strategy and should be driven by executive management.

Create a user-centered customer journey to increase connectivity. It wasn't too long ago that a company's communications to customers were solely managed by the IT and produced by the operations center. Today, marketing, sales, service and support all have valuable input, but most importantly, so does the customer. Businesses need to engage early and often to ensure they learn how, where and when to communicate with customers.

Leverage data and analytics to drive personal experiences. Companies continue to collect "big data" on their customers, and market and customer preferences are an important aspect of big data. By knowing how, when and where, companies can construct new and innovative communication solutions so they can deliver the right message to the right customer at the right time.

Successful preference management integrations will include workflow automation to drive efficiency and lower operational expenses. For those that build, automation drives complexity and the need is greater for support resources for maintenance and enhancement of the build. Brands need to take into consideration the build/buy dilemma when considering their ability to maximize workflow automation.

IN SUMMARY

Companies know that digital transformation is absolutely critical to evolve and drive the customer experience so the business may achieve their revenue growth, customer retention and operational goals. Allowing customers to decide personal and virtual preferences for how, where and when the brand delivers paper, web, mobile and social communications will lead to great customer experiences and drive business results. But customer preference management is only the tip of the digital transformation iceberg. It's not just about the technology, it's about leadership, strategy, talent and culture.

APPENDIX A – ABOUT MADISON ADVISORS

Madison Advisors exists to advance the outbound and inbound customer communications objectives of Fortune 1000 companies. Madison Advisors specializes in offering context-specific guidance for a range of content delivery strategies, particularly those addressing enterprise output technologies and customer communications. As the market leader in CCM strategies, we are rapidly defining the industry leaders and laggards in personal and virtual preference management.

Madison Advisors offers services and expertise primarily through short-term, high-impact consulting services. With no-nonsense, quick engagements (measurable in days or weeks, not months), Madison Advisors directly helps our clients achieve very hard and specific return on investment (ROI) related to their print and electronic communications initiatives.

Madison Advisors' analysts are dedicated to technology and market research that is delivered through short-term project engagements as well as articles, publications, and presentations. We specialize in customer communication technologies including enterprise output management, content management, customer relationship management, e-billing, and infrastructure technology.

For more information about Madison Advisors, visit our web site: www.Madison-Advisors.com.

APPENDIX B – ABOUT THE AUTHOR

Dave Erwin

Over the course of his career, Dave has researched, acquired and integrated multi-channel customer communications management and delivery platforms used for the design and distribution of print, web and mobile customer communications. He has managed and directed requirements gathering, prototyping, development and the launch of customer experience and self-service portal applications and provided business and technology valuations for potential mergers and acquisitions.

Prior to joining Madison Advisors, Dave held senior positions at Racami, LLC., NCP Solutions, a Harland Clarke Company and DocuGlobal, a successful technology and services startup start up.

Dave earned a B.S. in Business Administration from the Pennsylvania State University, University Park, PA.