

Next Best Action the New revolution in Marketing: An Exploratory Study

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Abstract: Next Best Action (NBA) is the new buzz word coined in new age Marketing of products and services. The researcher has carried out literature review with aim to understand the implications of NBA. Few cases of implementation were studied to understand the focus of implementation and benefits realized. NBA as a technology helps the organizations to reap the long-term benefits of customer retention, study patterns and provide customer with what they need.

Keywords: New Best Action, Best Next Action, Next Best Activity, Data Science,

1. Introduction

The market-oriented companies' lookout for good communications to mass audience and is the lifeblood of a successful campaigning (Jobber & Ellis-Chadwick, 2022/2016, pp. 412–425). Next Best Action (NBA) is also often called as Best Next Action or Next Best Activity and is a recommended action towards a customer centric approach in marketing (BlueVenn, 2020). The objective of this study is to understand how NBA is shaping up new age marketing and the technologies involved in it.

2. Research methodology

The researcher chose the Exploratory Research as there NBA is new buzzword in the market and there is less research conducted on this subject (Gratton, 2022/2004, pp. 6–20). The literature review was the critical factor considered for this study, since it would help to demonstrate the familiarity and knowledge of the scope of research, to outline the relevant theories involved for NBA and bring out the answers to the research questions. To understand the concept and principles behind the Next Best Action (NBA), the researcher has set the research questions as follows:

{RQ1} How NBA is revolutionising marketing today?

{RQ2} What are the technologies used in NBA?

3. Literature review

Literary Source:

The team of experts from Deloitte (Brett et al., 2020), published a white paper which revealed that in financial companies they have provided solutions in form of next best action which caters to the needs of prediction of customer behaviour, multi-channel management for better customer interactions with the staff and this is helping in Marketing.

Through their research, (Cao & Zhu, 2022), provided that for effective customer service and communications next based action is essential enabler in personalised and automated decision making.

In the research paper 'Next Best Action using prediction Analysis', (Journal et al., 2019) discovered that next best action is used for prediction of customer churn and this is achieved through using either Synthetic Minority Over-Sampling Techniques (SMOTE) , classification regression trees (CART) , Support vector Machines (SVM) and Feature Selection Algorithm. These have helped telecom companies to predict the churn of the customers and take corrective action as part of customer retention.

As suggested in the 'next best action model', published by (Brian & Company, 2020), Predictive Analytics is used as part of Next-best-action tools this enables companies to track a dynamic view of their customers. The information is used to well understand the customer needs and context of the business and marketing requirements. The next based action model helped many companies to have a personalised interaction with customers which led to better experiences, productivity gains and customer experience.

Pega is an international known IT solution provider, as per Joe Allen (Allen, 2018) , a business lead, wrote in his blog that the real tie AI will work as a single solution that scans the streaming cross-channel data and finds all opportunities that are hidden. Any lead found is instantly alerted to the agents in the for front line which helps to connect to the customers.

The TOBCO's article on next based action, provides a solution with machine learning capabilities to enable real time decision making which would improve the sales conversions right at the point of purchase. The next based action is used to target the customers with relevant offers and a specific product or service-based proposition based on the customer needs (TIBCO, 2021). Next based action strategies are used to encourage brand loyalty. As suggested in the statistics published by (Miller, 2020), the primary reason that brand loyalty

is so important to profitability is straightforward. The statistics published by (Miller, 2020), suggests that 65% of revenues of the companies come from repeat business with existing customers.

Stephen Hardy in his article published in 2019, made recommendations that data abstraction should happen in layers such that, the customer interactions are all captured either from calls with agents or social media interactions (Hardy, 2019). Stephen also recommends that the next level of abstraction happens when AI-Machine learning based algorithms will interface with business rules (Hardy, 2019). Finally, the measurement algorithm is hit for checking bias on recommendations before decision making (Hardy, 2019).

Cases on Implementation:

Case 1	Mobile Handset Customers
Customer Base	8m handset customers, driving £4bn revenue every year.
Implementation focus	<ul style="list-style-type: none"> • Monitor programmatic inbound and outbound activity. • Data / model driven decision making and offer selection for customers
Benefits	Higher ROI
Case 2	SIM only Customers
Customer Base	3m customers, driving £1bn revenue every year.
Implementation focus	<ul style="list-style-type: none"> • Understand the customer segmentation. • Customer creative journeys created
Benefits	Effective product promotions
Case 3	Broadband Customers
Customer Base	6m customers, driving £3bn revenue every year.
Implementation focus	<ul style="list-style-type: none"> • Customer retention strategies. • Customer segmentation
Benefits	Effective product promotions & Higher retention
Case 4	TV over IP Customers
Customer Base	4m customers, driving £2bn revenue every year.
Implementation focus	<ul style="list-style-type: none"> • Data Science model for forecasting. • Customer segmentation
Benefits	Effective customer sales forecasting & Higher retention
Case 5	TV over IP Customers
Customer Base	1m customers, driving £1bn revenue every year.
Implementation focus	<ul style="list-style-type: none"> • Customer segmentation. • Sales forecasts.
Benefits	Effective customer sales forecasting & product segmentation

4. Findings

Based on the literature review and the cases revealed the following research questions can be answered

{RQ1} How NBA is revolutionising marketing today?

Next Best Action is communicating with its customers at every touchpoint. Since the “Next best action marketing (NBAM)” is a customer focused approach to marketing its goal is to discourse all the customers through treatment which would generate the desired result.

{RQ2} What are the technologies used in NBA?

Next best action will continuously require decision making techniques which are automated, and learning based. NBA employs AI/machine learning to catalyse real-time decision-making. This will help to improve sales at point of purchase and customer retention.

5. Conclusion

Next Based action is revealed to be a special case of marketing decision-making which considers various actions of the customer to decide which one is the best. The Next Best Action can determine a customer’s interest and requirements balanced to marketing strategies of an organisation. Thus, there is a distinguished difference between traditional marketing where the aim is to sell the product and service. The NBA has revolutionised marketing through higher customer experience and focus on needs of the customer just than selling.

6. Limitation and Future Scope of Study

This study did not consider the quantitative approach of research and was limited to literature review and cross case analysis. To get higher quantification on benefits of NBA, researchers can study the adoption of NAB across organisations of various sectors and quantify the benefits realised.

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