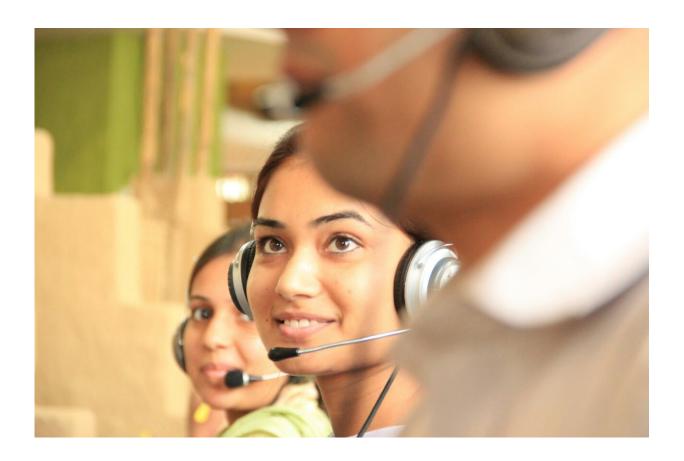# How AI can enhance flexibility, efficiency for customer service centers

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Credit: Unsplash/CC0 Public Domain

Whenever you call a customer service contact center, the team on the other end of the line typically has three goals: to reduce their response time, solve your problem and do it within the shortest service time

possible.

However, resolving your problem might entail a significant time investment, potentially clashing with an overarching business objective to keep service duration to a minimum. These conflicting priorities can be commonplace for customer service contact centers, which often rely on the latest technology to meet customers' needs.

To pursue those conflicting demands, these organizations practice what's referred to as ambidexterity, and there are three different modes to achieve it: structural separation, behavioral integration and sequential alternation. So, what role might artificial intelligence (AI) systems play in improving how these organizations move from one ambidexterity mode to another to accomplish their tasks?

New research involving Binghamton University's School of Management (SOM) explored that question. Using data from different contact center sites, researchers examined the impact of AI systems on a customer service organization's ability to shift across ambidexterity modes. The study is published in the *International Journal of Information Management*.

The key takeaway: it's a delicate balancing act; AI is a valuable asset, so long as it's used properly, though these organizations shouldn't rely on it exclusively to guide their strategies.

SOM Associate Professor Sumantra Sarkar, who helped conduct the research, said the study's goal was to understand better how organizations today might use AI to guide their transition from one ambidexterity mode to another because certain structures or approaches might be more beneficial from one month to the next.

"Customer service organizations often balance exploiting the latest

technology to boost efficiency and, therefore, save money," Sarkar said. "This dichotomy is what ambidexterity is all about, exploring new technology to gain new insights and exploiting it to gain efficiency."

As part of the three-year study, researchers examined the practices of five contact center sites: two global banks, one national bank in a developing country, a telecommunication Fortune 500 company in South Asia and a global infrastructure vendor in telecommunications hardware.

While many customer service organizations have spent recent years investing in AI, assuming that not doing so could lead to customer dissatisfaction, the researchers found these organizations haven't used AI to its full potential. They have primarily used it for self-service applications.

Some of the AI-assisted tasks researchers tracked at those sites included:

- using AI systems to automatically open applications, send emails and transfer information from one system to another
- approving or disapproving loan applications
- providing personalized service based on customer's data and contact history

Researchers determined that while it's beneficial for customer service companies to be open to harnessing the benefits and navigating any challenges of AI systems as a guide to their business strategies, they should not do so at the expense of supporting quality professional development and ongoing learning opportunities for their staff.

Sarkar said that to fully utilize AI's benefits, those leading customer service organizations need to examine every customer touchpoint and identify opportunities to enhance the customer experience while boosting the operation's efficiency.

As a result, Sarkar said newcomers in this technology-savvy industry should learn how companies with 20 or 30 years of experience have already adapted to changes in technology, especially AI, during that time before forming their own business strategies.

"Any business is a balancing game because what you decide to do at the start of the year based on a forecast has to be revised over and over again," Sarkar said. "Since there's that added tension within customer service organizations of whether they want to be more efficient or explore new areas, they have to work even harder at striking that balance. Using AI in the right way effectively helps them accomplish that."

More information: Lan Cao et al, Shift of ambidexterity modes: An empirical investigation of the impact of artificial intelligence in customer service, *International Journal of Information Management* (2024). DOI: 10.1016/j.ijinfomgt.2024.102773

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