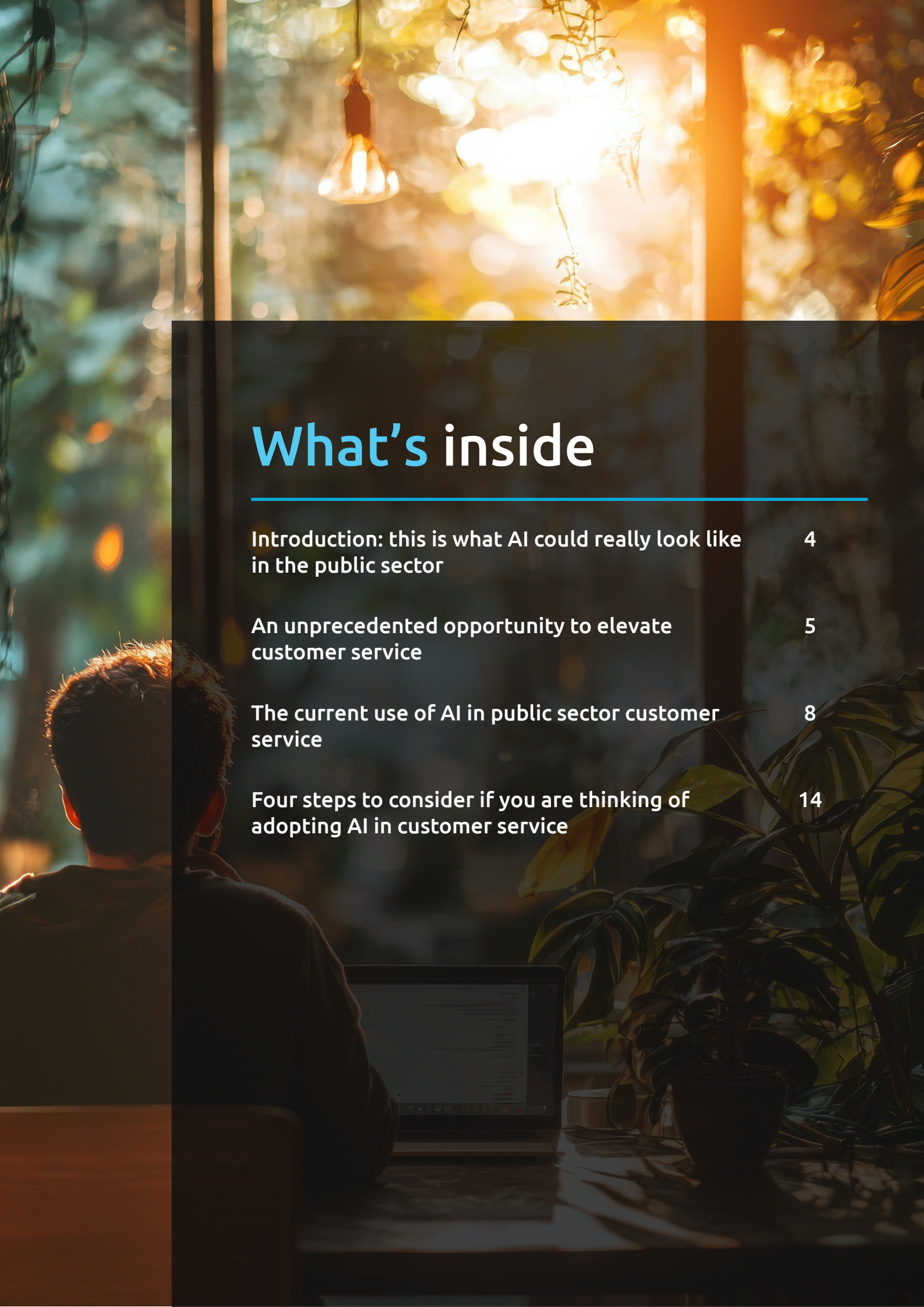




Could AI be the key that
unlocks great customer service
in the public sector?





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This is what AI could really look like in the public sector



When single parent Lucas loses his job, his first concern is how he will care for his teenage children. Late that night, he messages his local government's help service from his phone, to ask what support he can get right now. The service guides him step by step through how to apply for unemployment benefits and access other kinds of support, like free school meals.

The next morning, a housing advisor calls, already familiar with Lucas's situation. They talk through his options and agree on an action plan. By the end of the week, he is receiving support from several government agencies and has only needed to explain his situation once.

Lucas recognizes that he received a high standard of service. But he may not know that Gen AI tools and AI agents worked alongside humans to deliver it behind the scenes.

These advanced technologies used data shared securely across government – including via a unified customer relationship management (CRM) platform – to anticipate needs, pre-fill forms and coordinate services. They called upon other key pillars of strong customer service, such as integrated IT and processes organized around the citizen. And they shared relevant information with public servants who were trained and equipped to step in when it mattered most.

The result? Lucas had his needs met efficiently, effectively and with empathy.

Public sector organizations have been striving to provide this level of integrated, personalized customer service for some time. Yet recent research by the Capgemini Research Institute (CRI)¹ reveals that just 25% of citizens are satisfied or very satisfied with the service they receive from government agencies. That is the lowest score among the sectors surveyed.

In this point of view, we will outline the barriers that prevent government leaders in IT and operational delivery from finally delivering on the promise of great customer service. And we will set out four steps they can take to start realizing those gains with AI.

¹ Capgemini Research Institute, Unleashing the value of customer service, 2025

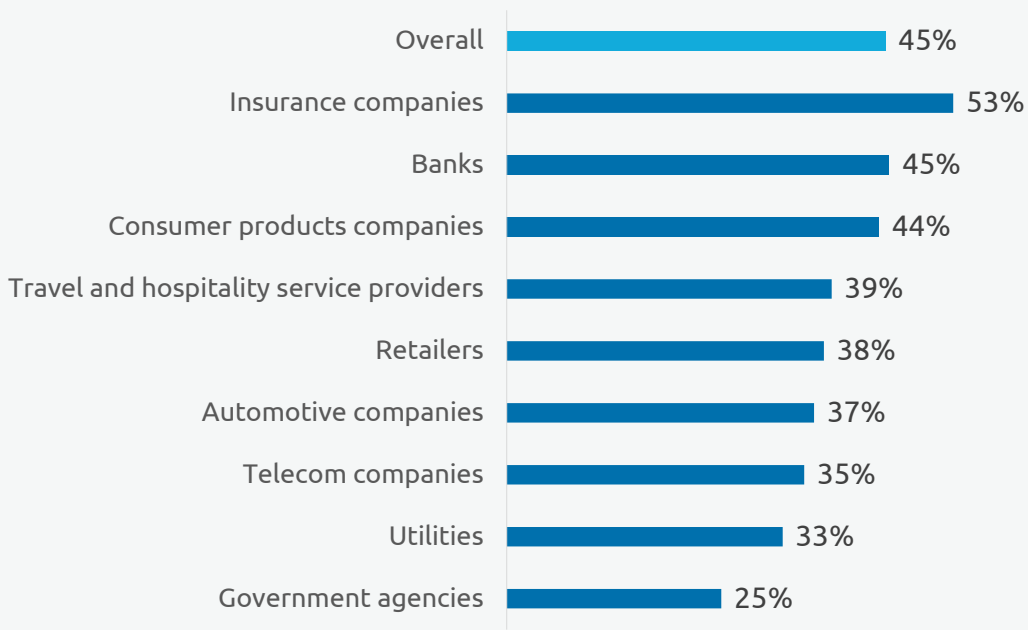
An unprecedented opportunity to elevate customer service

As the sum of every interaction and process involved in serving citizens and businesses, customer service in the public sector has a huge bearing on how people perceive government.

By improving their service to citizens, government agencies can improve public trust, as well as accessibility, equity and policy outcomes. In doing so, they can also get closer to achieving their respective missions. Yet the CRI survey shows that governments lag their peers in other sectors when it comes to satisfying users.

Figure 1: While low satisfaction is a theme across all sectors, consumers rate customer service in the government agencies the lowest

How satisfied are you with the customer service provided by the following product or service providers?

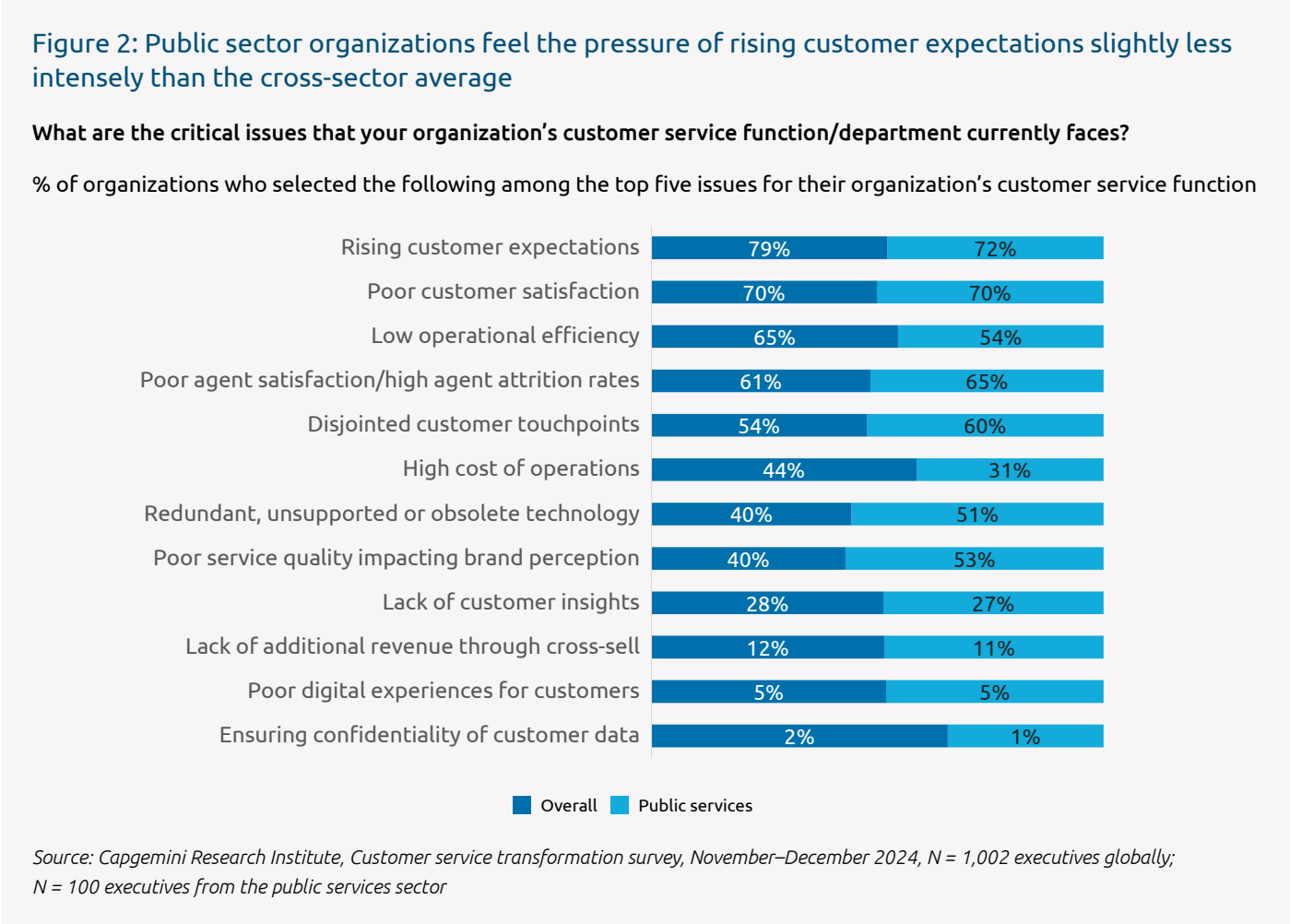


Source: Capgemini Research Institute, Customer Service Transformation Survey, November–December 2024, N = 9,500 consumers

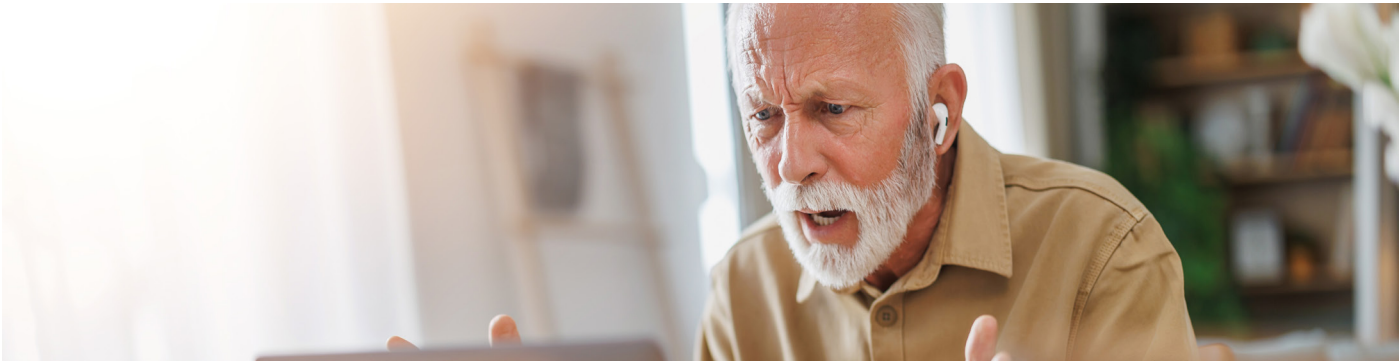
“Consumer brands are setting the standard when it comes to customer service.”

Sandeep Kumar, Head of Portfolio and Enterprise Transformation at Capgemini Invent

It also reveals that organizations across sectors are grappling with the twin challenge of poor customer satisfaction and rising customer expectations.



But while the challenge is similar across sectors, the potential impact of sub-standard service in the public sector is far bigger. Vulnerable people could be excluded from vital services or benefits, outcomes could worsen, and inefficiency and waste could increase. Trust in governments could also decrease further, ultimately eroding democracy.



An optimistic outlook

Despite this sobering summary, we believe there are two big reasons for optimism:

Public sector organizations are starting to recognize the need to invest in digitization to provide a quality service. Some forward-thinking organizations are already modernizing their IT infrastructure, implementing data-quality programs and adopting future-proof CRM systems that will help create a single view of the citizen.

With those foundations in place, Gen AI tools and AI agents offer organizations an unprecedented opportunity to elevate customer service, even in times of tight budget constraints. And as we reveal in the next section, the survey findings suggest that the public sector is further ahead than you might expect.

What's the state of customer service across industries today?

The CRI surveyed **9,500 citizens**, **1,002 leaders** (10% from public services) and **506 customer service employees** and supervisors from across sectors. The aim was to explore the shifts in customer expectations and technology, especially Gen AI, affecting the customer service function.

The findings reveal a clear need to transform the function to better meet the needs of customers/citizens, empower customer service employees, and deliver top- and bottom-line benefits for organizations. There are also some interesting differences between the private and public sector.

The main takeaways include:

- 01** On average, only 45% of consumers are satisfied or very satisfied with the customer service they receive. This shows that while government agencies score the lowest, organizations across sectors struggle to keep their customers happy.
- 02** Fewer public services organizations than the cross-sector average see low operational efficiency (54% v 65%) and high operating costs (31% v 44%) as critical issues for customer service. But more are concerned about obsolete technology (51% v 40%) and poor service quality affecting how they are perceived (53% v 40%).
- 03** More public services organizations report reduced operating costs (30% to 24%) and issue handling time (32% to 25%) from using AI technologies. But the satisfaction scores suggest that these benefits have yet to translate into a better experience for citizens.

The benefits of AI are expected to grow as organizations recognize the strategic importance of customer service, and the role AI can play in improving customer satisfaction, the employee experience, and operational efficiency.

Read the full report, "Unleashing the value of customer service"²

² Capgemini Research Institute, Unleashing the value of customer service, 2025

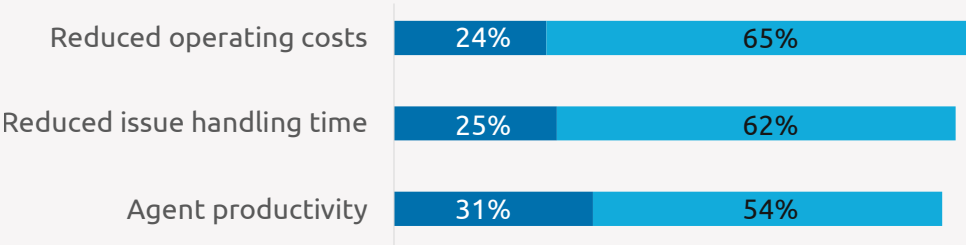
The current use of AI in public sector customer service

Perhaps surprisingly, our research shows that 91% of public sector organizations are exploring, piloting, or have already integrated Gen AI into their customer service operations. That is compared with a cross-sector average of 86%. And more public sector leaders say they are already seeing benefits from deploying Gen AI in customer service.

Figure 3: More public sector leaders say that Gen AI is already reducing operating costs and issue handling time

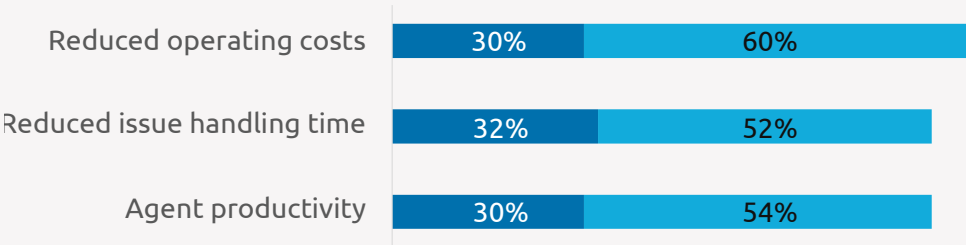
Which of the following benefits do you expect to realize through the use of Gen AI in customer service activities?

% of overall executives who selected the following



Which of the following benefits do you expect to realize through the use of Gen AI in customer service activities?

% of public sector executives who selected the following



■ We have already started realizing this benefit ■ We expect to realize this benefit

Source: Capgemini Research Institute, Customer service transformation survey, November-December 2024, N = 861 executives from organizations that are exploring, piloting, or implementing Gen AI for customer service activities.

91% of public sector organizations are exploring, piloting, or have already integrated Gen AI into their customer service operations.

Capgemini Research Institute, Unleashing the value of customer service, 2025

³ Capgemini Research Institute, Unleashing the value of customer service, 2025

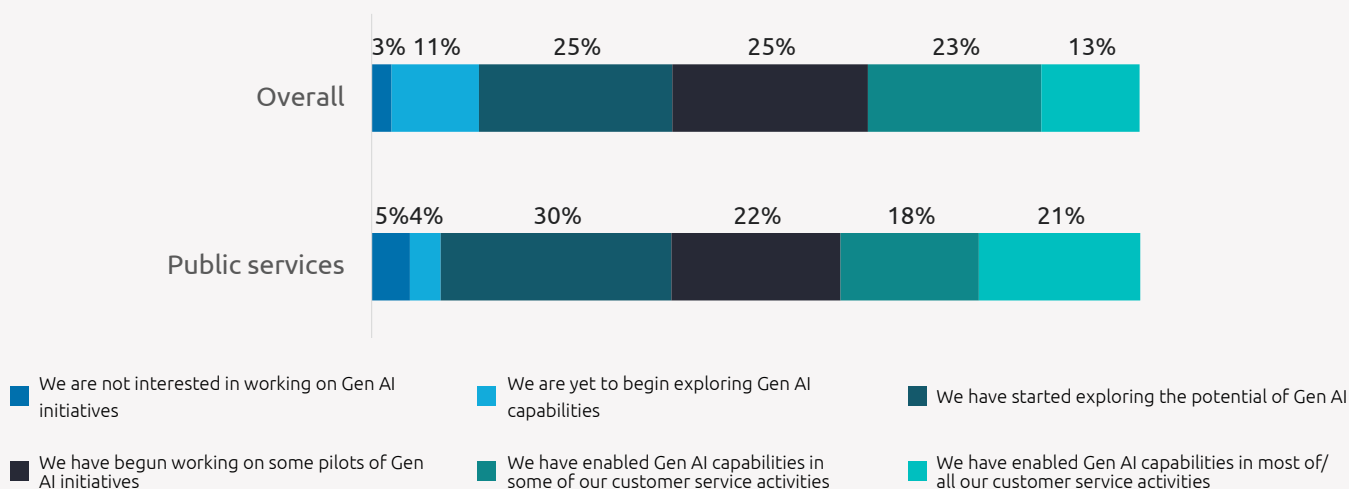
⁴ Capgemini Research Institute, Unleashing the value of customer service, 2025



But while Gen AI use in public sector customer service is more mature overall, it is also more concentrated in the exploring and piloting stages. (See Figure 4.) This may be because organizations fail to make a strong business case for these tools before embarking on explorations or pilots, so they risk getting stuck in those stages. When they do go live with AI technologies, they may also struggle to prove that they are realizing efficiency gains because they lack effective KPIs for measuring success.

Figure 4: While Gen AI initiatives in public services are more mature than the cross-sector average, a higher-than-average proportion are in the exploring and piloting stages

How would you describe the maturity of Gen AI initiatives in your customer service function/department?



Source: Capgemini Research Institute, Customer service transformation survey, November–December 2024, N = 1,002 executives globally; N = 100 executives from the public services sector

These challenges show that AI is not a magic wand you can wave to automatically get great results. To be effective in customer service and beyond, for example, these tools need to operate on strong foundations, including good-quality data and frameworks for sharing it securely. But many public sector organizations are starting to implement them without these foundations in place: fewer than 25% report high maturity in any aspect of data readiness.^{5,6}

“The structure of government too often stands in the way of its own ambitions—fragmented systems and siloed data are not just technical issues, they’re barriers to trust and democracy.”

Sandeep Kumar, Head of Portfolio and Enterprise Transformation at Capgemini Invent

⁵ Capgemini Research Institute, Data foundations for government: From AI ambition to action, 2025

⁶ Capgemini Research Institute, Rise of agentic AI: How trust is the key to human-AI collaboration, 2025

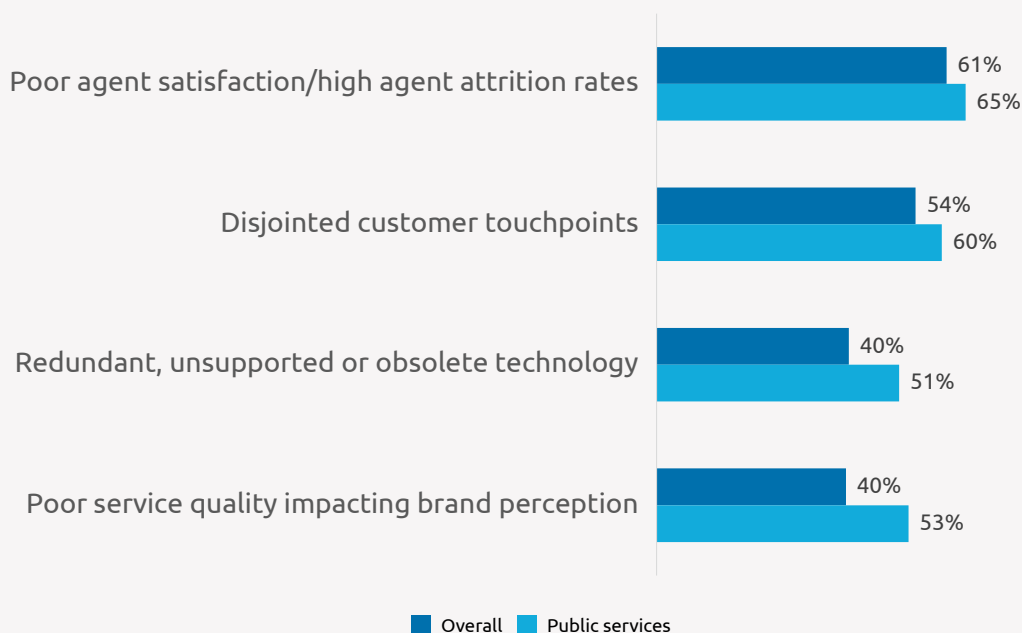
The systems and structures preventing success

AI tools also cannot function as sticking plasters for systemic issues preventing organizations from elevating their service. While many of these issues are common across sectors, some are a bigger problem in the public sector, as Figure 5 shows.

Figure 5: Public sector organizations are significantly more likely than the cross-sector average to call out redundant or obsolete technology and the impact of poor service on how they are perceived as among the most critical issues

What are the most critical issues currently faced by your organization's customer service function/department?

% of organizations who selected the following among the top five issues for their organization's customer service function



Source: Capgemini Research Institute, Customer service transformation survey, November–December 2024, N = 1,002 executives globally; N = 100 executives from the public services sector



What’s more, while many citizens tend to perceive “the state” as one entity, the structure of public sector organizations prevents them from operating as such.

To sum up, our survey findings and experience of working with governments highlight several key issues:

 **Fragmentation and a lack of data-sharing frameworks.** IT systems tend to be outdated and siloed by agency, and there are no frameworks for data sharing and interoperability, a unified CRM, or a shared vision for adopting AI across government.

 **Low employee satisfaction and efficiency.** The issues we described above, along with a lack of training and development, can make it challenging for customer service employees to be efficient and happy at work. For example, siloed systems can mean they need to use multiple screens to deal with a single query.

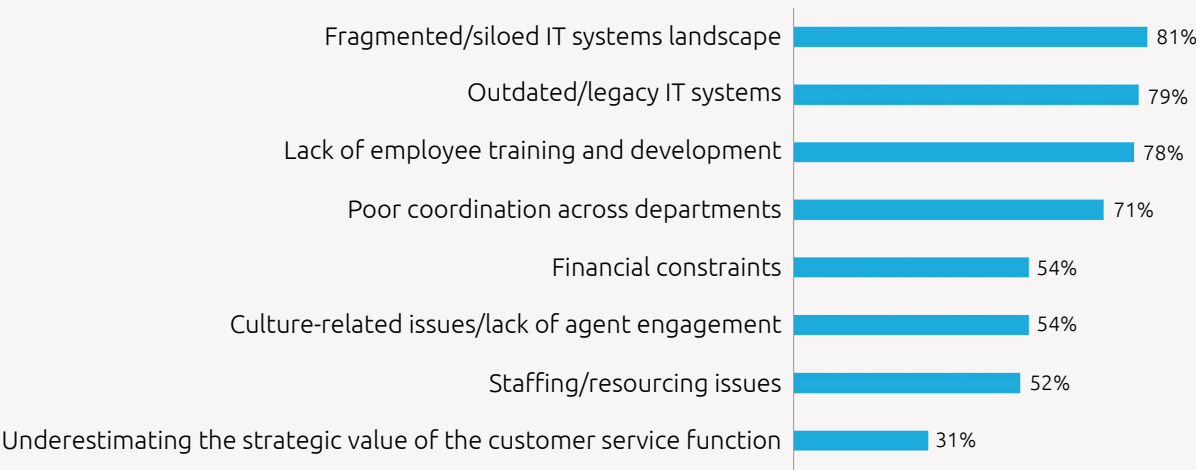
 **Structural issues.** It can be hard to establish funding or ownership for cross-cutting initiatives when budgets and objectives are set vertically, by department or agency.

 **Compliance pressures and reputational risk.** Growing regulation around data privacy and the use of AI means that governments must be very careful in how they collect, store, use and share citizen data. They may also have concerns about the reputational damage that could result from data leaks or AI hallucinations.

Figure 6: Fragmented, outdated IT systems and a lack of employee training and development are the top factors standing in the way of improving customer service

What are the barriers that your organization faces in improving its customer service?

% of public sector executives who selected the option as one of the top five barriers



Source: Capgemini Research Institute, Customer service transformation survey, November–December 2024, N = 1,002 executives globally; N = 100 executives from the public services sector

As a result of these challenges, and despite the best intentions of governments, the citizen experience often remains fragmented. In the UK, some people with a long-term disability or condition must interact with 40 services across nine organizations.⁷ The use of dozens of separate booking systems at the US Department of Veteran Affairs results in long waits for healthcare appointments for veterans.⁸ And parents in France must often submit similar information to several organizations to access the full range of family benefits.⁹

In the UK, some people with a long-term disability or condition must interact with 40 services across nine organizations.

The state of digital government review (GOV.UK 2025)



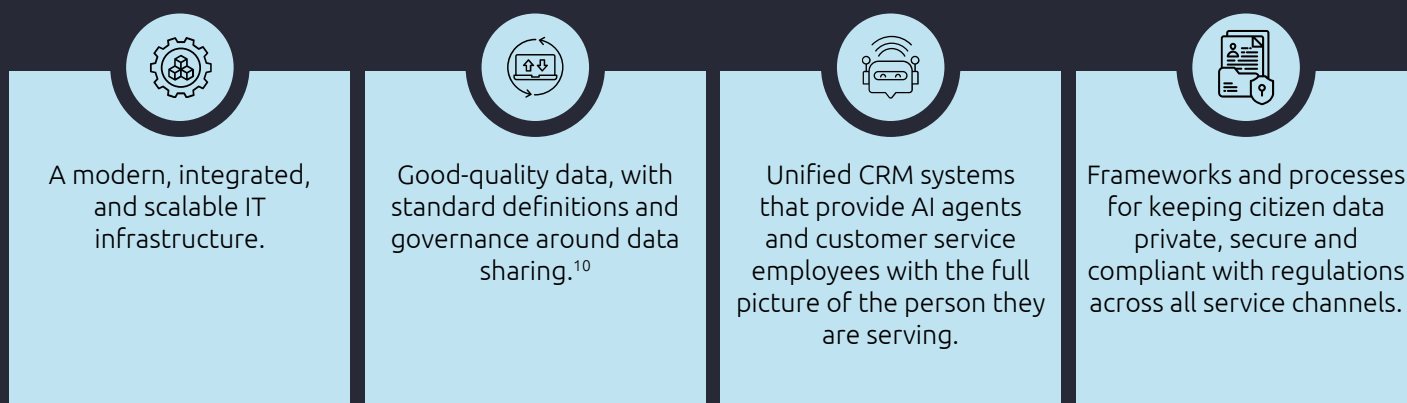
⁷ GOV.UK, The state of digital government review, 2025

⁸ US Government Accountability Office, Veterans health: improvements needed to achieve successful appointment scheduling modernization, 2025

⁹ Cour des comptes, Les aides aux familles nombreuses: des dépenses stabilisées, une coherence, May 2024

Four steps to consider if you are thinking of adopting AI in customer service

As the example at the start of this report shows, Gen AI tools and AI agents have the power to elevate the service governments give their citizens. They can do so by layering their unique capabilities on top of other key enablers of strong customer service:



But providing seamless experiences across multiple channels will not only mean putting the right IT pillars in place. It will also mean transforming your people, processes and mindset, as well as building collaborative relationships across IT, HR, operational delivery and customer service.

This will not be an easy process. But we know from our data and our experience with clients that public sector organizations are already on that journey.

1. Identify the opportunities and build the case for change

Begin by picturing what a great experience could look like for the people you serve, like Lucas in the story on page 4. What would it take to make your services feel more joined-up, timely and responsive? Then work backwards: what gets in the way of that experience today, and how could AI tools – along with other enablers – help bridge the gap?

This shift in perspective from processes to people helps to reveal the real opportunities for transformation. It is also a powerful way to make the case for change while setting you up for the future: moving to a life events model.

In this model, governments design services around moments that matter to citizens – like losing a job, starting a business or becoming a parent – rather than around departmental silos.¹¹ Gen AI tools and AI agents can help them achieve this citizen-centric approach by mapping the journeys, simulating better ones, and identifying where small changes could make a big difference. That could be by joining up data, anticipating needs or coordinating responses across departments.

“If you identify the end-to-end integrated customer journey, then look at how AI can enable it, you will improve citizen satisfaction.”

Yvo Booisma, Customer Experience Leader for the Global Public Sector at Capgemini

¹⁰ Capgemini Research Institute, Data Foundations for government: From AI ambition to action, 2025

¹¹ Capgemini, Citizen services for life: Personalising eGovernment through a life events approach, 2023

2. Clarify the role of AI and humans

A recent CRI survey reveals that customer service is the function where most executives predict AI agents will be performing at least one process daily within a year.¹² So, rather than focusing on what not to do with AI, public sector organizations need to define how humans and AI should work together, across all channels and touchpoints.

Generally, that means using Gen AI tools and AI agents to handle small transactional tasks, the outputs of which are orchestrated so that humans stay in the loop. These tasks could be across digital and potentially even in-person interactions – for example, through AI tools that act as virtual assistants to customer service employees. That way, humans can focus on empathetic, complex citizen interactions and leaders have oversight of what the AI agents are doing.

“Unleashing the value of customer service”¹³ offers some insight into what customer service could look like with this human-AI chemistry in place. It reveals that four in five public sector leaders and customer service employees agree that Gen AI will allow employees to engage in more impactful interactions in the future. And seven in 10 citizens still prefer humans for interactions requiring empathy. (Note that these preferences vary by age, with younger people generally favoring AI – for more detail, see the report’s appendix.)

Of course, to empower employees in this way, you must first address any low levels of general AI literacy. From this foundation, you can train your call center employees and frontline staff to use AI-powered tools safely and with confidence. But training alone will not be enough. To harness the full power of AI agents, you will need the buy-in and commitment of senior leaders in your organization. That is because the task involves redesigning processes, rethinking roles and structures, and clearly setting out when and how humans should stay in the loop.

If your AI agents operate within a well-scoped framework like this, they will not only earn trust. They will also help to create more human, citizen-focused services.

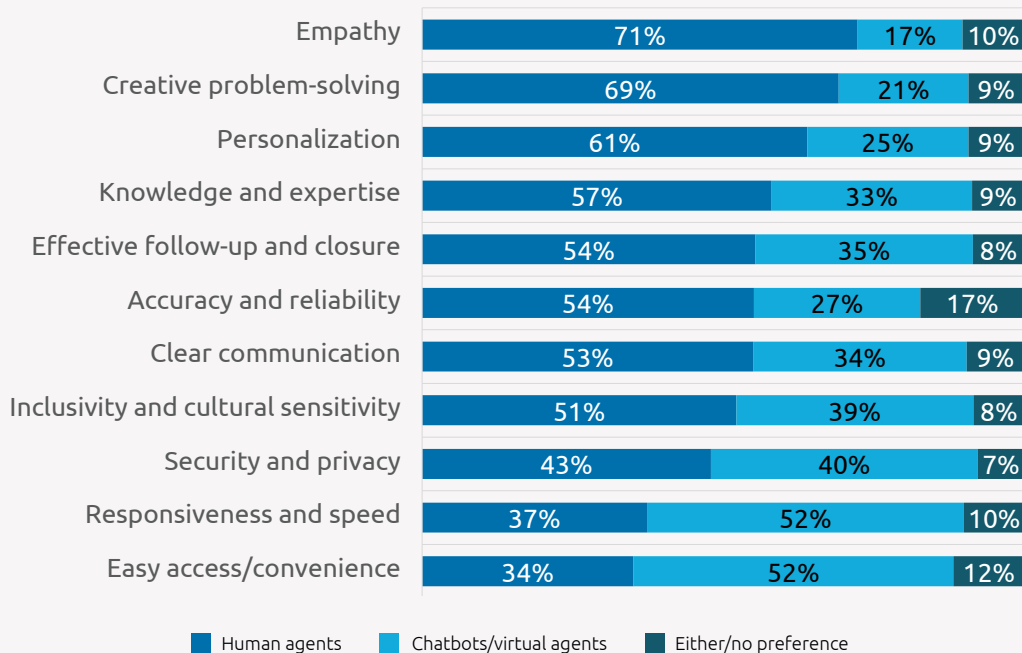


¹² Capgemini Research Institute, Rise of agentic AI: How trust is the key to human-AI collaboration, 2025

¹³ Capgemini Research Institute, Unleashing the value of customer service, 2025

Figure 7: While citizens value chatbots for quick and convenient service, they prefer humans for qualities like empathy. But with preferences varying according to age, situation or requirements, government agencies will need to take a balanced approach

Do you prefer human agents or chatbots/virtual agents in terms of the qualities you are looking for?



Source: Capgemini Research Institute, Customer service transformation survey, November–December 2024, N = 9,500 consumers

3. Start small and measure impact

Now you know where you can use AI to improve your customer journeys, the next step is to focus on gradual, evidence-based deployment. This will allow you to measure performance, learn from experience and iteratively develop solutions before rolling them out more widely. It will also allow you to balance innovation with responsibility by assessing the impact on crucial areas like data sovereignty, compliance and sustainability.

We suggest creating new Key Performance Indicators (KPIs) for hybrid teams that reflect success across all channels. These could include AI accuracy, citizen satisfaction, accessibility, equity, and the number of cases resolved by AI tools.

You could also begin with low-risk Gen AI pilots and scale them based on citizen impact and new KPIs.¹⁴ Pilots could include providing summaries of conversations, suggesting answers for customer service employees and sending emails with suggested next steps.

¹⁴ Capgemini Research Institute, Think big, start small: Unleashing the transformative power of Gen AI and agentic AI across government, 2025

80% of public sector leaders and customer service employees agree that Gen AI will allow employees to engage in more impactful interactions in the future.

Unleashing the value of customer service, Capgemini Research Institute, March 2025

4. Deliver new value for everyone with AI

A unique challenge for the public sector is that everyone needs to be able to access its services easily, including people with disabilities. In our customer service survey, more than half of citizens consider accessibility a critical aspect of good customer service.¹⁵ Yet over a third feel frustrated by the lack of accessibility, including service hours, language barriers, access to customer service employees and limited contact options.

Deploying Gen AI allows you to simplify complex information into content that is easy for everyone to understand. It can also make that information available in accessible formats, like vision-to-text-to-speech and real-time audio transcription, and translate it into multiple languages in real time.

AI agents can go beyond this by automatically tailoring support to suit a user's need – for example, adjusting content to their reading level – so they have a faster, more seamless experience. They can also coordinate citizen touchpoints across online and in-person channels, so staff can pick up where digital tools leave off.



¹⁵ Capgemini Research Institute, Unleashing the value of customer service, 2025

Final word

In the public sector, high-quality customer service helps to create more trusted, effective, and inclusive organizations that meet their cost-reduction targets. But transformation is not about copying the private sector – it is about applying relevant principles in a public context. With clear leadership, aligned teams, and thoughtful use of technology, governments can deliver the kind of citizen-centric service people expect and deserve.

Read more from Capgemini

[Unleashing the value of customer service: the transformative impact of Gen AI and agentic AI](#)

[Data foundations for government: from AI ambition to action](#)

[Citizen services for life: Personalising eGovernment through a life events approach](#)

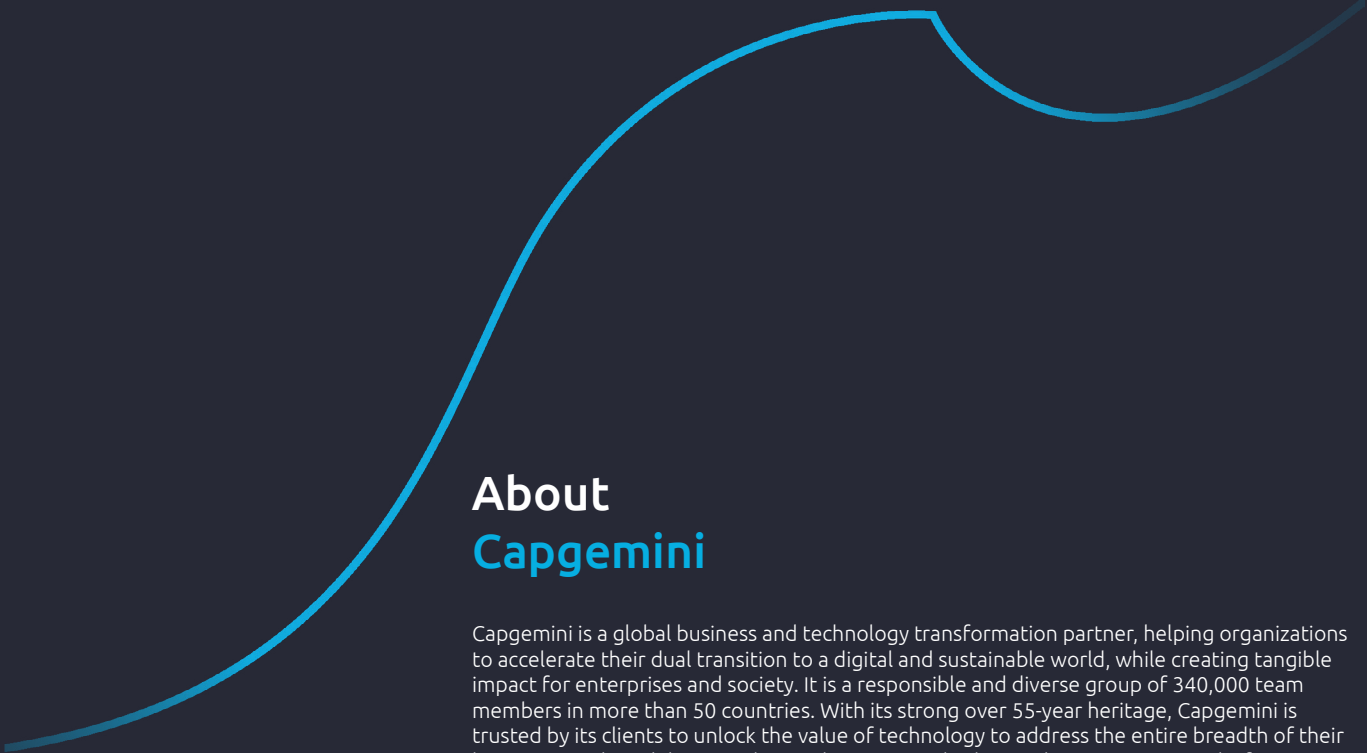
[Think big, start small: Unleashing the transformative power of Gen AI and agentic AI across government](#)

[Rise of agentic AI: How trust is the key to human-AI collaboration](#)

[Five steps to widespread digital accessibility](#)







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