



**EUROPEAN
INTERNATIONAL
UNIVERSITY**



COVER PAGE AND DECLARATION

	Master of Business Administration (M.B.A.)
Specialisation:	
Affiliated Center:	
Module Code & Module Title:	
Student's Full Name:	
Student ID:	
Word Count:	
Date of Submission:	

I confirm that this assignment is my own work, is not copied from any other person's work (published/unpublished), and has not been previously submitted for assessment elsewhere.

E-SIGNATURE:

DocuSigned by:
Sultan AlHowiriny
9439D6C9C4F94EF...

DATE:

EIU Paris City Campus
Address: 59 Rue Lamarck, 75018 Paris, France | Tel: +33 144 857 317 | Mobile/WhatsApp: +33607591197 | Email: paris@eiu.ac

EIU Corporate Strategy & Operations Headquarter
Address: 12th Fl. Amarin Tower, 496-502 Ploenchit Rd., Bangkok 10330, Thailand | Tel: +66(2)256923 & +66(2)2569908 |
Mobile/WhatsApp: +33607591197 | Email: info@eiu.ac

**RESEARCH TOPIC: THE IMPACT OF DIGITAL BANKING ON SAUDI ARABIA'S
FINANCIAL SERVICES INDUSTRY: A FOCUS ON THE AL RAJHI BANK**

Table of Contents	
ABSTRACT.....	3
CHAPTER 1: INTRODUCTION	4
1.1 Background of the Study.....	4
1.2 Research Hypothesis and Questions	5
CHAPTER 2: LITERATURE REVIEW	8
2.1 Digital Banking in Saudi Arabia	8
2.2 Overview of Digital Banking in Saudi Arabia.....	8
2.3 Focus on Al Rajhi Bank, Saudi Arabia	9
2.4 Digital Banking Enhancement of Consumer Satisfaction in Al Rajhi Bank.....	9
2.5 Digital Banking Enhancement of Competitive Advantage in Al Rajhi Bank.....	10
CHAPTER 3: METHODOLOGY	12
3.1 Study Participants.....	12
3.2 Data Collection.....	13
3.3 Data Collection Procedure	15
3.4 Data Analysis	17
3.5 Results	18
3.6 Discussion	21
CHAPTER 4: CONCLUSION	22
4.1 Conclusion.....	22
4.2 Implications	22
4.3 Recommendations	23
References.....	25
Table 1 (Results Summary).....	19
Figure 1: Illustration of the relationship between key themes and variables.....	21

ABSTRACT

This research aims to analyze how the rise of digital banking has affected Al Rajhi Bank and the Saudi Arabian banking sector. The study's overarching goal is to learn how Al Rajhi Bank may benefit from digital banking by increasing its profitability, expanding its client base, and strengthening its position in the market. The research assesses a theory that links a bank's adoption of digital banking to improved financial performance and a longer lifespan. The primary emphasis of the questions guiding this study is the impact of digital banking on acquiring and retaining customers and gaining a competitive edge. Al Rajhi Bank clients who have used digital banking services, as well as bank executives and workers, will be surveyed, interviewed, and their financial performance indicators will be analyzed to provide valuable information for the research. The data will be analyzed using exploratory and qualitative approaches to help develop conclusions. Thematic analysis will also be employed to categorize themes observed in the data to obtain conclusions. The results of this research are intended to add to what is already known about digital banking in Saudi Arabia, especially concerning its effect on the financial services sector. However, the research will give an example of Al Rajhi Bank. It will demonstrate its growth, customer happiness, and competitive advantage and evaluate how these factors have improved since the bank began offering digital banking services. Researchers, bank executives, and policymakers in Saudi Arabia may benefit from this study's findings by learning more about the impact of digital banking technologies on financial institutions' success there.

CHAPTER 1: INTRODUCTION

1.1 Background of the Study

A lasting competitive advantage allows a company to win and keep more customers, increase its profits, and solidify its position in the market. The term "competitive advantage" describes an organization's ability to outperform its rivals and provide better financial results (Almutairi, 2021). To differentiate oneself from rivals, a company must be able to produce and offer value to clients in a manner that is hard to imitate. Product diversification, cost leadership, technical innovation, and customer-centric initiatives are all potential sources of competitive advantage.

Attracting new consumers and holding on to your current clients go hand in hand, and customer retention is the latter. It is cheaper to keep an existing client than to get a new one, making customer retention a crucial element of every successful firm (Alnemer, 2022). Maintaining a loyal client base requires a focused effort on relationship development, service excellence, and customization (Saxena & Kumar, 2012). However, the capacity to draw in new consumers is what we mean when we talk about a company's "customer attraction." This is accomplished via strategic marketing, brand positioning, and developing value propositions that appeal to the intended audience.

Competitive advantage, client retention, and customer acquisition are all crucial in financial services. There is much competition among financial organizations such as banks; thus, standing out from the crowd is crucial to survival (Alam, 2013). The role of digital banking in bolstering competitive advantage and customer retention and attraction has grown significantly with the rise of digital technology and the rising need for accessible financial services. Recent studies have shown that digital banking substantially affects banks' competitive edge and their ability to retain and recruit customers (Al-Malkawi et al., 2016). Banks that use digital banking technology and provide individualized digital experiences have

a significant edge over their more conventional counterparts. By delivering secure and hassle-free banking services via digital channels, they were able to win over and keep consumers. Similarly, Järvinen (2014) found that consumers who used digital banking systems had better levels of loyalty and satisfaction, underscoring the relevance of digital banking in customer retention.

Knowing how digital banking affects a company's competitive advantage, customer retention, and acquisition is especially important in the Saudi Arabian environment, where digital banking has become more popular (Albarrak & Alokley, 2021). Al Rajhi Bank is a modern and consumer-centric organization (Zhang et al., 2018). The influence of digital banking on competitive advantage and customer outcomes is a rising field of study. However, there needs to be more attention paid to the instance of Al Rajhi and other banks in Saudi Arabia.

Therefore, this study addresses this knowledge gap by exploring the link between digital banking, competitive advantage, and Al Rajhi Bank's ability to retain and acquire customers. This study will help shed light on how digital banking has helped Al Rajhi Bank improve its performance in the Saudi Arabian financial services industry by analyzing its competitive standing and customer outcomes after implementing various digital banking initiatives. The implications and recommendations derived from the conclusions are essential in propelling the industry's growth and increasing the region's competitive position.

1.2 Research Hypothesis and Questions

The study's overarching objective is to learn how Al Rajhi Bank benefits from digital banking in terms of revenue, longevity, clientele, and market share. A hypothesis has been developed to serve as the study's foundation:

Hypothesis: Al Rajhi's financial success and long-term viability are significantly correlated with the bank's use of digital banking.

The study aims to examine whether or not the adoption of digital banking has positively affected Al Rajhi Bank's bottom line and long-term viability. According to the concept, financial institutions implementing new digital banking forms should see increased profitability.

Research Questions

1. Has Al Rajhi's financial success and longevity been fostered by increased client attraction and retention based on digital banking implementation?

The study investigates how Al Rajhi Bank's digital banking services affect the bank's ability to acquire and retain customers. The study aims to learn whether and how customers' increased pleasure and loyalty to digital banking services have boosted the bank's bottom line.

2. Has Al Rajhi's usage of digital banking increased its competitive advantage, fostering the bank's financial success and longevity?

The study's research topic seeks to evaluate how Al Rajhi Bank's competitive position has changed due to the bank's adoption of digital banking. The study's overarching goal is to ascertain whether the institution's use of digital banking technology has improved its capacity to compete with other industry players, win over new clients, and acquire sustainable advantages.

Research Objectives

- ✓ To show how digital banking has contributed to Al Rajhi's success, especially regarding revenue expansion and long-term viability.
- ✓ To prove whether more customers are attracted to and retained by the bank stemming from digital banking implementation.
- ✓ To show that Al Rajhi's competitive advantage has grown due to the bank's implementation of digital banking

The study's approach and analysis will be guided by these research questions and aims, allowing an in-depth look at how digital banking has affected Al Rajhi Bank's efficiency, popularity, and ability to compete.

CHAPTER 2: LITERATURE REVIEW

2.1 Digital Banking in Saudi Arabia

The Saudi Arabian financial market is one among many global industries that have leveraged digital technology to their advantage. Kitsios et al. (2021) and Rajan & Saranya (2018) provide an overview of digital banking and its acceptance rate globally. The authors highlight that digital banking redesigns a financial institution's internal and external operations and significantly impacts a firm's efficiency and performance. Digital banking describes the banking services development and the ability to deliver services and products through electronic channels (Jamaldeen, 2021). Digital banking services are provided through several electronic channels, including; automatic teller machines, mobile phones, and the Internet. The term is often used interchangeably with electronic banking or e-banking (Saxena & Kumar, 2012). Consequently, research shows that other in-built concepts behind e-banking include cloud computing and artificial intelligence (AI) technologies. These tools power the innovative ideas of digital platforms across different sectors, and the banking industry is no exception (Albarrak & Alokley, 2021). Rajan & Saranya (2018) highlight that many financial institutions globally incorporated digital banking to enhance banking services and products' accessibility, affordability, and efficiency, improving consumer satisfaction through efficient performance. Jain et al. (2020) have mentioned that digital technology has been embraced by some consumers and treated with suspicion by others. However, the authors describe digital banking as the future and the best way for consumers in any area, including remote areas, to access banking services.

2.2 Overview of Digital Banking in Saudi Arabia

Alkhowaiter (2020) indicates that digital banking has gained popularity in GCC countries, Saudi Arabia included. The author indicates that consumers who have embraced digital banking in Saudi Arabia are impacted by perceived security and usefulness, trust, and

perceived ease of use (PEOU). Additionally, the author indicates that despite cultural concerns contributed by Arabs' conservatism nature, many consumers have embraced digital banking in Gulf countries. Alzahrani (2019) narrows down to digital banking acceptance in Saudi Arabia, highlighting a study conducted to determine consumers' opinions on banking technology. The study established that approximately fifty percent of consumers in the banking sector have accepted the new banking technology and find digital banking convenient and efficient. The views correlate with the focus of the research, which intends to correlate competitive advantage and consumer satisfaction relationship to improved performance.

2.3 Focus on Al Rajhi Bank, Saudi Arabia

The Al Rajhi Bank is one of the most progressive banks in Saudi Arabia and the focus of the research paper. Various concepts of digital banking in the bank can be used as a lens to understand the impact of digital banking in Saudi Arabia's financial sector and its impact on competitive advantage, performance, and consumer satisfaction. Rawashdeh (2021) provides an overview of Al Rajhi Bank and its rise as one of the biggest progressive banks in the Kingdom of Saudi Arabia. The bank is a family business that has merged traditional Islamic banking with modern banking methods, such as digital banking. The author highlights the bank as consumer-centric, prioritizing consumer satisfaction through various services. As a result, the bank has taken dominance as the most prominent Islamic bank globally, with a substantial competitive advantage and consumer satisfaction, positively impacting its performance record in Saudi Arabia and the world's financial sector. Arabians are traditionally and culturally reserved individuals even in banking practices, but Al Rajhi Bank has managed to attract customers with modern banking methods.

2.4 Digital Banking Enhancement of Consumer Satisfaction in Al Rajhi Bank

Al Rajhi's focus on being consumer-centric is the fundamental reason the bank has achieved consumer satisfaction, as highlighted by Ahmed (2021). A study conducted with the

bank's consumers as study participants established that most were happy with the bank's efficiency and customer service through its digital banking platforms (Ahmed, 2021). Additionally, the bank's consumers indicated that Al Rajhi's digital banking platform was reliable, easy to use, and secure. Consequently, consumers indicated the bank's employees were empathetic and quick responders if a consumer highlighted a problem with the bank's digital banking platform. Consumers indicated that services are rendered faster and more conveniently compared to before digital technology incorporation. Alam (2013) correlated with Ahmed (2021) on the reliability of Al Rajhi's digital banking platform., indicating consumers' views after use.

2.5 Digital Banking Enhancement of Competitive Advantage in Al Rajhi Bank

Al Rajhi Bank has gained a competitive edge in the Saudi Arabian banking sector thanks mainly to its early embrace of digital banking. Research draws a direct relationship between consumer attraction ability and organizational longevity and sustainability (Järvinen, 2014). Consequently, Alkhowaiter, 2020 explains that market share is a vital element in fostering a company's brand image and profitability. The bank can stand out from its rivals by providing superior customer care and cutting-edge financial products thanks to the advent of digital banking (Ahmed, 2021). Al Rajhi Bank has made banking easy and convenient for its customers via digital platforms, including Internet banking and mobile apps. This also stems from integrating consumer feedback and aligning digital interfaces to suit clients' needs (Al-Malkawi et al., 2016).

The capacity to provide customized services to each client is a significant benefit of digital banking that has helped Al Rajhi Bank stay ahead of the competition (Alkhowaiter, 2020). The bank may better serve its customers by tailoring its products and services to their specific requirements and interests, thanks to the information gleaned from its customers' data

and cutting-edge analytics. Customers are happier and more loyal due to this individualized approach, strengthening the company's standing in the market.

Additionally, Al Rajhi Bank has been able to contact more people and get more customers thanks to digital banking. The bank can now reach new consumers, such as millennials and those living in rural regions, thanks to the accessibility of digital media (Ahmed, 2021). The bank now has an advantage over its competitors thanks to its expanded client base, enabling it to break into previously untapped markets. Improvement in operational efficiency, client reach, and the ability to provide individualized service has made the bank a stronger competitive position now that it has adopted digital banking.

CHAPTER 3: METHODOLOGY

3.1 Study Participants

Purposive sampling was selected to gather data from participants with the primary setting as Saudi Arabia, where Al Rajhi Bank is situated. The bank represents the banking industry in Saudi Arabia, given its significant market and financial position. Given the need to recruit specific participants with information, knowledge, and expertise in digital banking, purposive sampling was employed as a potent selection technique (Palinkas et al., 2013). Additionally, purposive sampling allows researchers to select participants based on their characteristics, which must align with the study's objectives. In this case, participants with experience in digital banking and associated with the Al Rajhi Bank were the most suitable candidates to help respond to the research questions. Also, the researcher wished to have all participants as citizens of Saudi Arabia because this would eliminate geographical bias given the study's focus.

Based on the variables being tested, which include client attraction and retention alongside the bank's competitive advantage, recruiting customers and employees or executives was paramount. The researcher preferred to recruit existing rather than potential clients because the objective was to enquire about their experience with current digital banking systems. Consequently, employees and top executives would help provide information on the bank's competitive position in relation to digital banking services. After these clusters were identified, narrowing down a practical number of clients and employees was important.

The customer relationship manager within the marketing department was approached to authorize customer data collection. Consequently, clients were approached through e-mails linked with their profiles provided at the bank. Also, customers were approached when waiting to be attended to in the banking halls. Each participant was made aware of the study's intention and allowed to participate voluntarily, provided they had an existing account with the bank. Of

the 76 customers approached physically and through e-mail, 42 agreed to participate and provide data relative to the study.

The Human Resources (HR) department manager of Al Rajhi Bank was approached to authorize data collection from viable employees. The key requirement was for participants to be currently employed at the bank, given the study's focus, and to be knowledgeable of the bank's use of digital banking. As a result, the participants must have worked at the bank for at least five years. This would guarantee the information illustrated the company's competitive advantage's progress and whether this was related to digital banking implementation. In the first sampling exercise, eight mid-level managers and supervisors from different departments, including sales, HR, insurance, information technology (IT), and marketing, were recruited. Given the tight employee schedules, conducting a second sampling exercise was important, which allowed the recruitment of two top executives to help with the study. The two participants offered to provide a case study analysis that will be evaluated in the next sections and answer any questions about the study. Employees and top executives were approached in person, and all study objectives were explained. It was also important to specify that the information would be offered voluntarily, and specific dates were given to ensure availability and schedule alignment.

Therefore, 52 participants were successfully recruited, comprising 42 customers and ten employees from the Al Rajhi Bank. Their contact details were collected and documented to confirm their availability and to clarify any questions or concerns regarding the research. Participants were then contacted on the scheduled dates to proceed to the next phase, which involved data collection.

3.2 Data Collection

Exploratory research approaches alongside qualitative techniques were selected for data collection and analysis, given the scope of the research topic. The study seeks to identify

the connection between digital banking and the performance of the banking industry in Saudi Arabia, with a special focus on the Al Rajhi Bank. Although there is extensive literature on digital banking benefits and limitations, prior research fails to focus on how banks in the region have enjoyed improved customer retention and competitive advantages from the same. Furthermore, as demonstrated in the review, there is limited research on the subject. Exploratory techniques are useful because they effectively analyze topics with little or no information (Komorowski et al., 2016). Consequently, qualitative approaches effectively evaluate data within market research and social sciences, specifically when human behavior or perception is a factor. These characteristics suited the study's scope and were optimal for data collection and analysis.

The primary data collection method was in-depth unstructured interviews aligned with the qualitative design. The method was preferred based on the numerous advantages that the research leveraged to fulfill its objectives. Unstructured interviews help collect participants' perceptions and beliefs without following a specific format or question style (Palinkas et al., 2013). After posing a leading question, the interviewer allows the participants to respond, and then they can proceed according to the response. This allows the interviewer to create a unique pattern that could unravel detailed information relative to the topic. In contrast, a structured interview is pre-formatted with specific questions and often closed-ended, directing the interviewee to issue certain responses. Thus, collecting detailed intel on the subject's tenets is challenging. Overall, interviews are a potent method to collect data as they are cheaper, time-saving, and efficient.

However, unstructured interviews are often time-consuming and work best with small sample sizes. As a result, it may be argued that results are less representative or reliable (Ashfaq, 2016). The research overcame this limitation because the scope focused on a specific setting, Al Rahji Bank. There was no concern about reliability because the small sample size

chosen was directly associated with the bank. Therefore, the unstructured interview approach best fulfilled the study's focus, participants' characteristics, and research objectives.

Additionally, case studies were given by two top executives who, besides the interview, offered more information on the implementation of digital banking and their experience. Given their expertise and positions in the company, the case studies were essential in unraveling more data about the bank's exposure to digital banking and how it impacts clients. Case studies have different scopes, as most stem from literature or statistical analysis about a subject (Komorowski et al., 2016). In this case, the case studies were based on personal reviews from participants associated with the research setting. The case studies were documented at the final interview stages, where the interviewer allowed the participants a few more minutes to explain their stand on digital banking. Overall, the in-depth interviews were essential in identifying key-focus themes aligned with the exploratory and qualitative design.

3.3 Data Collection Procedure

On the agreed date, the 52 recruited participants were contacted to participate, but only 21 were available to attend the in-person interviews. As a result, it was determined that an online interview option would be given to the remaining participants to help increase the sample size. Nine others confirmed attendance bringing the total number of participants to 30. From the total sample, eight were employees of Al Rajhi Bank, while 22 were customers with active accounts at the bank. The in-person interviews took place in a bank room offered by Al Rajhi company, and seven interviews were conducted daily. Each session was estimated at thirty to thirty-five minutes, and each participant was allowed five minutes extra to state any concerns or ask questions. Therefore, the in-person interviews took three days to complete.

The online sessions were performed on Google Zoom, and a unique link was created and sent thirty minutes before the start time. Interviewees had been contacted prior and given separate links with varying start times to avoid overrunning sessions. All online interviews

took two days to complete, with each session running between thirty and thirty-five minutes. However, an extra ten minutes was allowed to mitigate concerns like internet buffering, technical faults, or power interruptions. Consequently, the two top executives among the online interviewees were approached on a different day during in-person meetings to document their case studies. There was no specific time frame for the case study analysis, but the interviewer only documented information relevant to the research objectives. Therefore, the entire interview process took six days to complete.

In this case, the researcher leveraged the unstructured interview approach to develop free-flow conversations with participants. This allowed participants to feel more flexible, comfortable, and open, enhancing their interactions with the interviewer. In this case, the leading question was what each participant thought about digital banking in general and their previous or current experience. Follow-up questions for clients involved what each felt about Al Rajhi's e-banking services and if they met specific needs. Furthermore, clients were interviewed on their preference for Al Rajhi's digital services compared to other banks.

Consequently, employees were asked to clarify their exposure to digital banking systems and explain whether their performance in assigned roles has improved using e-banking services. Top executives were questioned on the bank's performance regarding profitability and competitive advantages derived from e-banking. Given that their positions allowed them access to such data, the leading question was on how and whether Al Rajhi's performance and market position improved over time and if notable improvement was connected to integrating digital banking services. Towards the end of each session, interviewees were asked about their experience with traditional banking methods. More so, it was paramount to ask whether digital banking was more efficient than conventional methods and whether participants preferred the former.

To enhance data credibility, accuracy, and reliability, transcriptions and documentation were conducted on the set interview days, and each participant was e-mailed a transcript of their responses. Participants could also change their responses to reflect current thoughts or perceptions of the study's objectives. As a result, the interviewees identified any bias, which was later removed from the transcripts before subjecting the data to analysis.

3.4 Data Analysis

Specific factors were developed from the responses through thematic analysis to help classify the data and achieve practical findings. Thematic analysis facilitates the identification of recurrent factors arising from the collected data allowing the classification of responses into specific themes (Braun & Clarke, 2012). The process entails searching and exploring codes from the data and classifying them into themes relative to the phenomenon under study. In this case, the primary expectation was to find themes about the impact of digital banking on customers and employees.

After gathering, transcribing, and documenting the responses from the interview sessions, the next step involved reading through the information severally to familiarize with the issues. Next, the data was coded systematically, and a connection was developed between recurring codes. This was done by assigning letters to phrases representing recurring issues in each response. The clusters were labeled as themes that were thoroughly reviewed and aligned with the study's objectives. Rather than deductive coding, inductive coding was employed to create codes based on the interview responses. Therefore, the themes arising from this were directly related to the participants' responses. Lastly, a report was generated to portray the findings relative to the research questions. All data was read and re-read to ensure a connection to the research objectives and conclusions were aligned with the essence of digital banking in fostering customer attraction and Al Rajhi's competitiveness.

3.5 Results

This section presents a summary of the data analyzed through thematic analysis. As shown in Table 1, the data display was established by aligning responses to identified themes alongside respondent groups. Consequently, the emerging and recurrent themes arising from the data sets among the participants were:

- ✓ Security – the codes showed that most participants were concerned about data privacy and security when using e-banking systems. For instance, customers expressed their perceptions about Al Rajhi's digital systems in connection to protecting sensitive information. Employees stated that the bank focuses on enhancing encryption techniques to avoid data breaches or cybercrime.
- ✓ Ease of use – several codes highlighted flexibility, complexity, and infrastructure as vital elements, all grouped under one theme. Ease of use is an umbrella term describing users' access to digital banking systems. Users have different perceptions of how complex or flexible e-banking systems are, and the theme helped capture these concerns.

Table 1 (Results Summary)

Participants	Themes	Responses
Customers	<i>Ease of use</i>	<ul style="list-style-type: none"> • E-banking services offered at the bank are time-saving • Most services are quick • I found that e-banking services are easy to use • The bank provides services in various languages • Learning to operate the digital systems was easy for me • My interaction with the e-banking systems is clear and understandable • I find the bank's digital banking systems flexible to interact with
Employees		<ul style="list-style-type: none"> • There is a focus on integrating new technologies to enhance the accessibility of digital services to clients • Most clients have reported positively on digital banking • Our clientele base has increased significantly since the implementation of e-banking • Clients do not have to physically come to the bank to make transactions • My department has reported better results since the implementation of e-banking
Customers	<i>Security</i>	<ul style="list-style-type: none"> • The bank's online platforms do not allow others to access my accounts or verification details • I have not experienced any data breach since I started using the bank's digital banking systems • I feel secure when making online transactions
Employees		<ul style="list-style-type: none"> • The IT department is continually working on improving digital banking interfaces to eliminate data breaches • Minimal concerns about privacy have been reported in the last five years • Digital banking by Al Rajhi offers high protection against data theft or hacking • The bank does not allow the sharing of clients' personal information with third parties

Case Studies Summary

This section summarizes the case studies given by Al Rajhi's two senior executives. The information presented includes any data or findings separate from the participants' responses collected during their interviews. Each review is presented in first-person prose to avoid misinterpretation of findings.

Abdullah Alotheymeen – Executive Manager; Al Rajhi Bank

I can attest to the importance of digital banking in the financial services industry based on my experience. Each industry has leveraged the essence of technological innovations, and the banking industry is no different. As a lower-level employee, I often interacted with clients and colleagues who felt our company should do more to increase and improve its online platforms to match competitors. Al Rajhi Bank is famous for its focus on innovation and customer satisfaction; each department's primary goal is to ensure clients are happy. Therefore, the last five years have seen a significant increase in clients stemming from improved accessibility, flexibility, and security of services. Seventy percent of this increase is attributed to implementing digital banking services, as attested by the marketing and sales team.

Abdulaziz Alghofaili – Senior Manager; Al Rajhi Bank

It is evident that e-banking is the next phase of banking in Saudi Arabia, given the focus on achieving the Kingdom's Vision 2030. I am proud to be a part of this journey in my role at the Al Rajhi Bank. As a former employee at different companies within the financial services domain, I have experienced the growth and impact that digital banking has on increasing market share. A potent example is our current rise in sales as we have managed to reach, attract and retain more clients over the last seven years. Even during the Covid-19 pandemic, the marketing team managed to assist clients in lockdown through easily accessible and secure online services. The goal now involves maintaining the quality of our digital banking services to attract potential clients.

3.6 Discussion

The two main themes, ease of use and security, relate to how digital banking has fostered Al Rajhi's competitive advantage alongside client retention and attraction. The coded responses show that the ease of use and security of e-banking services have increased the bank's ability to retain and expand its market share. Also, the case study analysis shows that the bank's continuous improvement of digital banking services has enhanced its brand image, and the accessible services attract more customers.

The analysis draws a connection between the themes and the research questions used in testing the hypothesis. The ease of use and security of digital banking services are the primary drivers of customer attraction, which fosters competitiveness. As a result, the bank's sustainability and longevity are ensured. Figure 1 shows the relationship between variables and key themes.

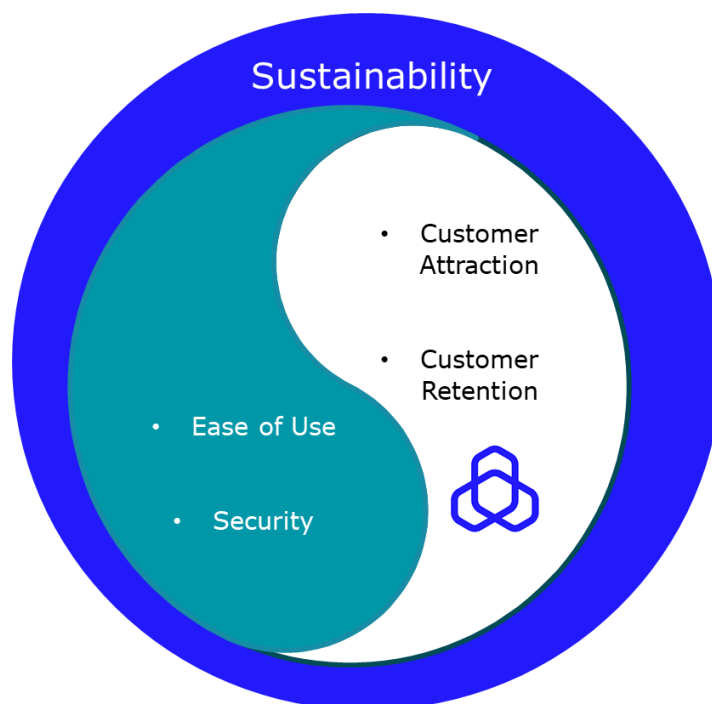


Figure 1: Illustration of the relationship between key themes and variables

CHAPTER 4: CONCLUSION

4.1 Conclusion

From the hypothesis, the study aims to examine whether the adoption of digital banking has positively affected Al Rajhi Bank's bottom line and long-term viability. The research questions focus on competitive advantage and client attraction as the primary drivers of Al Rajhi's sustainability. Consequently, the findings illustrate that digital banking services' ease of use and security are the key motivators of client attraction and retention alongside the bank's competitiveness. From the thematic analysis, the study's findings show that the ease of use and security offered by Al Rajhi's digital banking services have increased customers and the company's competitive advantage. Therefore, it is plausible to suggest that customer attraction and retention are directly related to competitiveness. In turn, the two factors directly impact the bank's sustainability. From these deductions, the research qualifies and supports the hypothesis.

4.2 Implications

Several lessons may be learned from Al Rajhi Bank's success in the financial services business. By analyzing its development, competitors in the market may learn how to better adapt to the ever-changing industry. Furthermore, Al Rajhi Bank's dedication to its customers is exemplary. The bank's success is largely due to its emphasis on client relationships and personalized services. This approach may inspire other banks' customer service.

Moreover, Al Rajhi Bank's commitment to broadening access to banking services has important ramifications. Digital banking services and financial literacy programs are only two examples of the bank's efforts to improve financial inclusion and independence among previously unbanked communities. This should teach other financial institutions about the need to cater to a wide range of customers and experiment with new methods of reaching untapped areas. Businesses may reach more people needing their services and close the financial inclusion gap by using digital technology and increasing their outreach efforts.

Additionally, agility and flexibility are highlighted by Al Rajhi Bank's digital transformation and technology adoption. The bank has improved its operational efficiency, streamlined its procedures, and provided seamless client experiences thanks to its investments in digital channels, mobile banking, and sophisticated analytics. This emphasizes the significance of other businesses adopting technology progress and using digital solutions.

4.3 Recommendations

Al Rajhi Bank's performance may assist other financial services firms in staying competitive and meeting consumer expectations. Businesses must prioritize memorable, personalized service. Customer relationship management software, data analytics, and AI may help financial organizations understand customers. Thus, companies can provide consumers with what they want and when they want it, with a consistent experience across channels. Companies prioritizing consumers build stronger relationships, increase loyalty, and stand out.

Second, financial institutions should provide their services to everyone. Established companies may employ fintech startups to offer innovative goods to underserved customers. Online banking, easier account setup, and financial literacy campaigns fall under this category. Companies can reach more customers and encourage more people to participate in the economy if they improve their outreach efforts and lower entry barriers.

Thirdly, banks and other financial organizations need to prioritize digital transformation. Emerging technology may help businesses simplify procedures, automate tasks, and increase productivity. Cloud computing, Artificial Intelligence(AI), and Robotic Process Automation (RPA) are all technologies that might be used for this purpose. Businesses may save money and become more risk-averse using technological solutions like online payment processing, customer care chatbots, and individualized budgeting and financial planning software.

Other businesses in the financial services sector may learn from Al Rajhi Bank's success. Companies may boost their competitiveness, enter new markets, and provide outstanding customer experiences by placing a premium on customer centricity, adopting financial inclusion, and using digital transformation. Long-term success in a competitive and ever-changing sector is possible, and organizations may benefit from Al Rajhi Bank's experience.

References

- Ahmed, M. A. (2021, December). The Impact of the Quality of Electronic Banking Services in Achieving Customer Satisfaction from the Point of View of Al Rajhi Bank Customers. *International Journal of Business and Management*, 17(1), 105.
- Alam, A. (2013, December). Online Service Quality and Customer's Satisfaction: A Case Study of the Selected Commercial Banks in Riyadh (Saudi Arabia). *Pensee Journal*, 75(12), 188-200.
- Albarrak, M., & Alokley, S. (2021). FinTech: Ecosystem, Opportunities and Challenges in Saudi Arabia. *Journal of Risk and Financial Management*, 14(10), 1-21.
- Alkhowaiter, W. A. (2020, August). Digital Payment and Banking Adoption Research in Gulf Countries: A Systematic Review. *International Journal of Information Management*, 53.
- Al-Malkawi, H.-A. N., Mansumittrchai, S., & Al-Habib, M. (2016). Online Banking in an Emerging Market: Evidence from Saudi Arabia. *International Journal of Electronic Finance*, 9(1), 1-17.
- Almutairi, M. F. (2021). Internet Banking Adoption Challenges In Saudi Arabia. *International Journal Of Scientific & Technology Research*, 10(2), 1-14.
- Alnemer, H. A. (2022). Determinants of digital banking adoption in the Kingdom of Saudi Arabia: A technology acceptance model approach. *Digital Business - Elsevier*, 2(1), 1-16.
- Alzahrani, A. S. (2019). A Review of Online Banking in Saudi Arabia. *Journal of Contemporary Scientific Research*, 3(5), 1-7.
- Ashfaq, Z. (2016). Structured interviews. *Researchgate*, 3(1), 1-11.
- Braun, V., & Clarke, V. (2012). Thematic Analysis. *APA Handbook of Research Methods in Psychology*, 2, 1-13.

- Jain, V., Sharma, P., Kumar, A., & Kansal, A. (2020). Digital Banking A Case Study of India. *Solid State Technology*, 63(6), 1-17.
- Jamaldeen, F. (2021). E-Banking and Customer Preferences In Jeddah, Saudi Arabia. *Palarch's Journal Of Archaeology Of Egypt/Egyptology*, 18(13), 1-10.
- Järvinen, R. A. (2014). Consumer trust in banking relationships in Europe. *International Journal of Bank Marketing*, 32(6), 551-566.
- Kitsios, F., Giatsidis, L., & Kamariotou, M. (2021). Digital Transformation and Strategy in the Banking Sector: Evaluating the Acceptance Rate of E-Services. *J. Open Innov. Technol. Mark. Complex.*, 7(3), 204.
- Komorowski, M., Marshall, D. C., Saliccioli, J., & Crutain, Y. (2016). Exploratory Data Analysis. *Researchgate*, 15(1), 1-6.
- Palinkas, L. A., Horwitz, S. M., Green, C. A., & Wisdom, J. P. (2013). Purposeful Sampling for Qualitative Data Collection and Analysis in Mixed Method Implementation Research. *Administration and Policy in Mental Health and Mental Health Services Research*, 42(5), 1-17.
- Rajan, P., & Saranya, G. (2018, December). Digital Banking Services: Customer Perspectives. *JETIR*, 5(12).
- Rawashdeh, O. (2021). Al-Rajhi: The Saudi Arabia Kingdom's Glocal Bank. *IIUM Journal of Case Studies in Management*, 12, 24-37.
- Saxena, C., & Kumar, P. (2012). Innovative Banking Strategies for Customer Satisfaction Improvement. *Researchgate*, 1-14.
- Zhang, T., Lu, C., & Kizildag, M. (2018). Banking "on-the-go": examining consumers' adoption of mobile banking services. *International Journal of Quality and Service Sciences*, 10(4), 1-21.