

# **Final Project 1**

Code: MGM 496-PMG496

## **Project Template**

Faculty of Management  
Midocean University

**Midocean University**

**Faculty of Management**

**Department/ Specialization .....**



**"Driving Customer Experience Excellence via Digital Transformation in  
Saudi Banks"**

**Student name**

**Hamad Saad Alghoraibi**

**Student ID**

**221001822**

**Graduation Project – 1 assignment –3**

**Faculty of Management - Midocean University**

**Supervisor**

**Dr. Abdul Rahim Nader**

**Faculty member- Faculty of management- Midocean University**

**21 Aug 2025 –Semester 2, 2025**

## Table of Contents

|                                                                                 |                                     |
|---------------------------------------------------------------------------------|-------------------------------------|
| 1. Chapter 1: Introduction .....                                                | <b>Error! Bookmark not defined.</b> |
| 1.1. Research Background.....                                                   | <b>Error! Bookmark not defined.</b> |
| 1.2. Research Problem.....                                                      | <b>Error! Bookmark not defined.</b> |
| 1.2.1. Theoretical Gaps .....                                                   | <b>Error! Bookmark not defined.</b> |
| 1.2.2. Practical Gaps .....                                                     | <b>Error! Bookmark not defined.</b> |
| 1.3. Research Significance .....                                                | <b>Error! Bookmark not defined.</b> |
| 1.3.1. At the theoretical lev .....                                             | <b>Error! Bookmark not defined.</b> |
| 1.3.2. At the practical level .....                                             | <b>Error! Bookmark not defined.</b> |
| 1.4. Research Questions .....                                                   | <b>Error! Bookmark not defined.</b> |
| 1.5. Research Objectives .....                                                  | <b>Error! Bookmark not defined.</b> |
| 1.6. Research Hypotheses.....                                                   | <b>Error! Bookmark not defined.</b> |
| 1.7. Research Model.....                                                        | <b>Error! Bookmark not defined.</b> |
| 1.8. Research Methodology.....                                                  | <b>Error! Bookmark not defined.</b> |
| 1.9. Scope of The Study .....                                                   | <b>Error! Bookmark not defined.</b> |
| 1.10. The Suggested Project Structure.....                                      | <b>Error! Bookmark not defined.</b> |
| 2. Chapter 2: Literature Review .....                                           | <b>Error! Bookmark not defined.</b> |
| 2.1. Introduction .....                                                         | <b>Error! Bookmark not defined.</b> |
| 2.2. The independent variable .....                                             | <b>Error! Bookmark not defined.</b> |
| 2.3. The dependent variable .....                                               | <b>Error! Bookmark not defined.</b> |
| 2.4. The relationship between the independent and the dependent variables ..... | <b>Error! Bookmark not defined.</b> |
| 2.5. Conclusion.....                                                            | <b>Error! Bookmark not defined.</b> |
| References.....                                                                 | 3                                   |

## **Chapter 2: Literature Review**

### **2.1. Introduction**

This chapter provides a critical review of existing scholarly articles, industry reports, and relevant literature concerning the interplay between digital transformation and customer experience excellence within the banking sector. The purpose of this review is to establish a robust theoretical foundation for the study, identifying key concepts, existing models, and prior research findings that inform the investigation.

The review is structured to address the core components of the research model. It will first explore the independent variable, "Digital Transformation Implementation Strategies," by defining what these strategies entail and how they manifest within the financial services industry. Subsequently, it will delve into the dependent variable, "Customer Experience Excellence," by examining its key dimensions, including customer satisfaction, loyalty, and perceived service quality. The chapter will then synthesize these concepts to analyze the relationship between the independent and dependent variables, drawing on empirical evidence from global and regional contexts.

By systematically reviewing the literature, this chapter aims to highlight the existing theoretical and practical gaps, particularly concerning the unique context of Saudi Arabia. This process will underscore the need for the current study and validate its contribution to bridging the knowledge deficit regarding the effective translation of digital initiatives into superior customer outcomes in the Saudi Arabian banking sector.

## 2.2. The Independent Variable: Digital Transformation Implementation Strategies

Digital transformation is a profound and fundamental change in how an organization operates and delivers value to its customers. It is not merely about adopting new technologies but about the strategic application of these technologies to reimagine core business processes, customer experiences, and business models. In the banking sector, these strategies encompass a wide range of initiatives aimed at integrating digital technologies across all operations and customer touchpoints.

Key components of digital transformation implementation strategies in banking include:

- **Technology Adoption and Integration:** This involves the deployment of advanced technologies such as Artificial Intelligence (AI), Machine Learning (ML), blockchain, and cloud computing. For instance, Saudi organizations are already using AI to drive customer experience improvements. These technologies enable new services like mobile banking, intuitive online platforms, and AI-powered customer service chatbots.
- **Process Re-engineering:** Banks are re-engineering their core processes to be more efficient, agile, and customer-centric. This includes automating manual tasks, streamlining workflows, and creating a seamless, unified customer journey across different channels.
- **Organizational and Cultural Change:** Successful digital transformation requires a significant shift in organizational culture, leadership, and employee skills. Banks must invest in upskilling their workforce to manage

new digital tools and effectively interact with customers through evolving digital touchpoints. A customer-centric digital culture is essential for ensuring that technological adoption genuinely translates into enhanced customer value.

The imperative for digital transformation in Saudi Arabia is particularly driven by the ambitious **Vision 2030** framework, which encourages technological adoption and economic diversification across all industries, including finance. Saudi banks are aggressively pursuing these strategies not only to align with governmental objectives but also to meet the increasing demands of a digitally savvy consumer base.

### **2.3. The Dependent Variable: Customer Experience Excellence**

Customer experience (CX) is a holistic concept that encompasses a customer's entire journey with a company, from the initial interaction to post-purchase support. Customer experience excellence (CXE) represents a superior and seamless journey that consistently meets or exceeds customer expectations, fostering positive emotions and building lasting relationships. In the digital banking context, CXE is directly linked to the usability, accessibility, and personalization of a bank's digital channels. Your research focuses on three key dimensions of CXE:

- **Customer Satisfaction:** This dimension measures a customer's overall happiness with the products, services, and interactions provided by a bank. In the digital sphere, customer satisfaction is influenced by factors such as the ease of use of mobile apps, the speed of transactions, and the effectiveness of digital customer support. A user-friendly and reliable digital platform contributes significantly to high levels of customer satisfaction.
- **Customer Loyalty:** Customer loyalty goes beyond satisfaction; it is a customer's willingness to continue doing business with a bank and to recommend it to others. In the digital age, loyalty is built by providing consistent, valuable, and personalized digital experiences. For example, a bank that offers tailored financial advice through its app or provides proactive fraud alerts builds trust and loyalty.
- **Perceived Service Quality:** This refers to a customer's judgment of the overall excellence of a service. In digital banking, perceived service quality is evaluated based on the reliability, responsiveness, security, and aesthetics of digital channels. A secure and fast mobile banking app, for instance, enhances a customer's perception of the bank's service quality.

The ability of Saudi banks to achieve CXE is critically linked to their digital transformation initiatives. This section of the literature review establishes that to succeed in the evolving market, banks must focus on these dimensions to deliver a superior customer journey and sustain a competitive advantage.

## **2.4. The relationship between the independent and the dependent variables**

The relationship between digital transformation implementation strategies and customer experience excellence is direct and causal, with a significant body of literature supporting a positive correlation. The strategic deployment of digital technologies and the subsequent re-engineering of processes are not merely operational necessities but key drivers of superior customer outcomes.

Existing research indicates that effective digital transformation efforts lead to tangible improvements across the dimensions of customer experience. For instance, a focus on technology adoption, such as developing intuitive mobile banking applications and deploying AI-powered chatbots, directly enhances customer satisfaction by providing seamless and accessible banking solutions. These innovations cater to the contemporary demands of a digitally native consumer base, who expect efficient and personalized digital experiences.

Furthermore, digital transformation strategies that integrate disparate channels and legacy systems contribute to a unified customer journey, which in turn builds customer loyalty. By offering consistent service across all digital touchpoints, banks can reduce customer friction and foster a sense of reliability and trust. The continuous upskilling of the workforce to manage new digital tools and interact with customers through evolving channels is also a critical element of this relationship, as it directly impacts perceived service quality.

However, despite this established link, a notable gap remains in the literature. While many studies explore technological adoption and customer satisfaction in isolation, there is a lack of integrated frameworks that comprehensively explain the direct causal mechanisms by which specific digital transformation strategies contribute to superior customer experience excellence within the banking sector. This is particularly true for the unique socio-economic, cultural, and regulatory environment of Saudi Arabia, where existing theoretical frameworks, often derived from Western contexts, may not fully apply. This study, therefore, aims to fill this void by providing a contextual validation and extension of these frameworks, focusing on the factors that influence digital customer experience and adoption behaviors within this distinct regional landscape.

## **2.5. Conclusion**

This literature review has established a robust theoretical framework for the study by critically examining the core concepts of digital transformation implementation strategies and customer experience excellence. The review has demonstrated that while digital transformation encompasses a broad range of technology adoptions, process re-engineering, and cultural shifts, its ultimate success in the banking sector is directly linked to its ability to enhance customer satisfaction, loyalty, and perceived service quality.

By synthesizing existing literature, this chapter has confirmed the hypothesized positive relationship between the independent and dependent variables. However, it has also underscored the significant theoretical and practical gaps that the current study aims to address, particularly the lack of an integrated framework tailored to the unique economic and cultural context of Saudi Arabia.

The insights gained from this review will serve as the foundation for the subsequent chapters. The concepts and relationships explored here will inform the detailed research methodology and provide a basis for interpreting the findings and drawing conclusions about how Saudi banks can effectively leverage digital transformation to achieve customer experience excellence.

## References

- Alrajhibank.com.sa. (n.d.). *Alrajhi Bank Digital Transformation*. Retrieved from [https://www.alrajhibank.com.sa/ir24/services/pdf/digital\\_transformation.pdf](https://www.alrajhibank.com.sa/ir24/services/pdf/digital_transformation.pdf)
- Consultancy-me.com. (n.d.). *Saudi organizations using AI to drive customer experience improvements*. Retrieved from <https://www.consultancy-me.com/news/10818/saudi-organizations-using-ai-to-drive-customer-experience-improvements>
- Fintechsaudi.com. (n.d.). *Resources*. Retrieved from <https://fintechsaudi.com/resources/>
- Ministry of Finance (MOF). (n.d.). *Digital Transformation at the Saudi Ministry of Finance*. Retrieved from <https://www.mof.gov.sa/en/about/Pages/Digital-Transformation--at-the-Saudi-Ministry-of-Finance.aspx>
- MITSloanme.com. (n.d.). *What is driving Saudi Arabia's mobile banking and commerce movement?* Retrieved from <https://www.mitsloanme.com/article/what-is-driving-saudi-arabias-mobile-banking-and-commerce-movement/>
- Riyadh Bank. (n.d.). *CEO's Message*. Retrieved from <https://www.riyadbank.com/documents/5421824/5422038/CEO%27s+Message.pdf/9bc5c474-ec89-1d36-59d2-a794c2be7716?t=1719487459627>
- Riyadh Bank. (n.d.). *Digital Banking and Innovation*. Retrieved from <https://www.riyadbank.com/documents/4268095/4253219/Digital+Banking>

[+and+Innovation.pdf/c26a8cb5-6603-5d99-f11c-3d8bab55e2c9?t=1696945098911](#)

- SAMA. (n.d.). *Development Reports*. Retrieved from <https://www.sama.gov.sa/en-US/EconomicReports/Pages/DevelopmentReports.aspx>
- SAMA. (n.d.). *Financial Sector Development Program Annual Report 2023*. Retrieved from [https://www.sama.gov.sa/en-US/Documents/Financial\\_Sector\\_Development\\_Program\\_Annual\\_Report-2023-EN.pdf](https://www.sama.gov.sa/en-US/Documents/Financial_Sector_Development_Program_Annual_Report-2023-EN.pdf)
- Terrapinn.com. (n.d.). *Seamless Saudi Arabia: Agenda*. Retrieved from <https://www.terrapinn.com/exhibition/seamless-saudi-arabia/agenda.stm>
- The Saudi Central Bank (SAMA). (n.d.). *Economic Reports*. Retrieved from <https://www.sama.gov.sa/en-US/EconomicReports/Pages/DevelopmentReports.aspx>
- The Saudi Central Bank (SAMA). (n.d.). *Financial Sector Development Program Annual Report 2023-EN.pdf*. Retrieved from [https://www.sama.gov.sa/en-US/Documents/Financial\\_Sector\\_Development\\_Program\\_Annual\\_Report-2023-EN.pdf](https://www.sama.gov.sa/en-US/Documents/Financial_Sector_Development_Program_Annual_Report-2023-EN.pdf)