



KSA Banking Sentiment Index

2024



In collaboration with



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Foreword

The banking sector in the Kingdom of Saudi Arabia (KSA) is navigating a period of significant change, shaped by economic reforms, technological advancements, and evolving customer expectations. Vision 2030, the Kingdom's ambitious national transformation plan, is driving major developments in the financial sector, focusing on digitalisation, innovation, and regulatory modernisation. The Saudi Arabian Monetary Authority (SAMA) has introduced forward-thinking regulations to promote financial inclusion, enhance digital banking infrastructure, and foster a competitive environment for both traditional banks and emerging fintech players.

In this dynamic landscape, KSA banks are enhancing their digital capabilities to meet the rising demand for seamless, secure, and efficient banking experiences. The rapid adoption of digital channels and the growth of mobile banking reflect the broader digital transformation in the Saudi economy. However, this shift also presents challenges – particularly in maintaining high standards of customer service and mitigating risks related to cybersecurity and operational downtimes.

To address these challenges, we have partnered with DataEQ to analyse how social media, especially platforms such as X (formerly Twitter), can be used to monitor and benchmark share of voice (SoV) and customer sentiment. The KSA Banking Sentiment Index 2024 provides valuable insights into the current state of the sector, offering a comprehensive analysis of consumer sentiment across the leading financial institutions in the Kingdom. Based on an extensive review of 62,800 public mentions from May to December 2023, the index captures the key themes, trends, and challenges shaping the industry.

Regards,

Mark Stanley – Partner, Financial Services Consulting

mark.stanley@pwc.com

Jean Abou Assi – Partner, Digital Financial Services Consulting

jean.abouassi@pwc.com

Key industry themes



01

Operational challenges remain, impacting industry net sentiment, with gradual improvement.



02

Consumers displayed a keen interest in banking products, particularly loans and card solutions.



03

Despite escalating dissatisfaction, efforts to enhance customer service were overlooked.



04

Consumers showed a growing preference for digital channels for communication, despite a rise in complaints.



05

The response rate to priority mentions remained stagnant, with over half left unanswered.



06

Downtime remained the primary risk factor impacting the industry, with a noticeable upward trend.

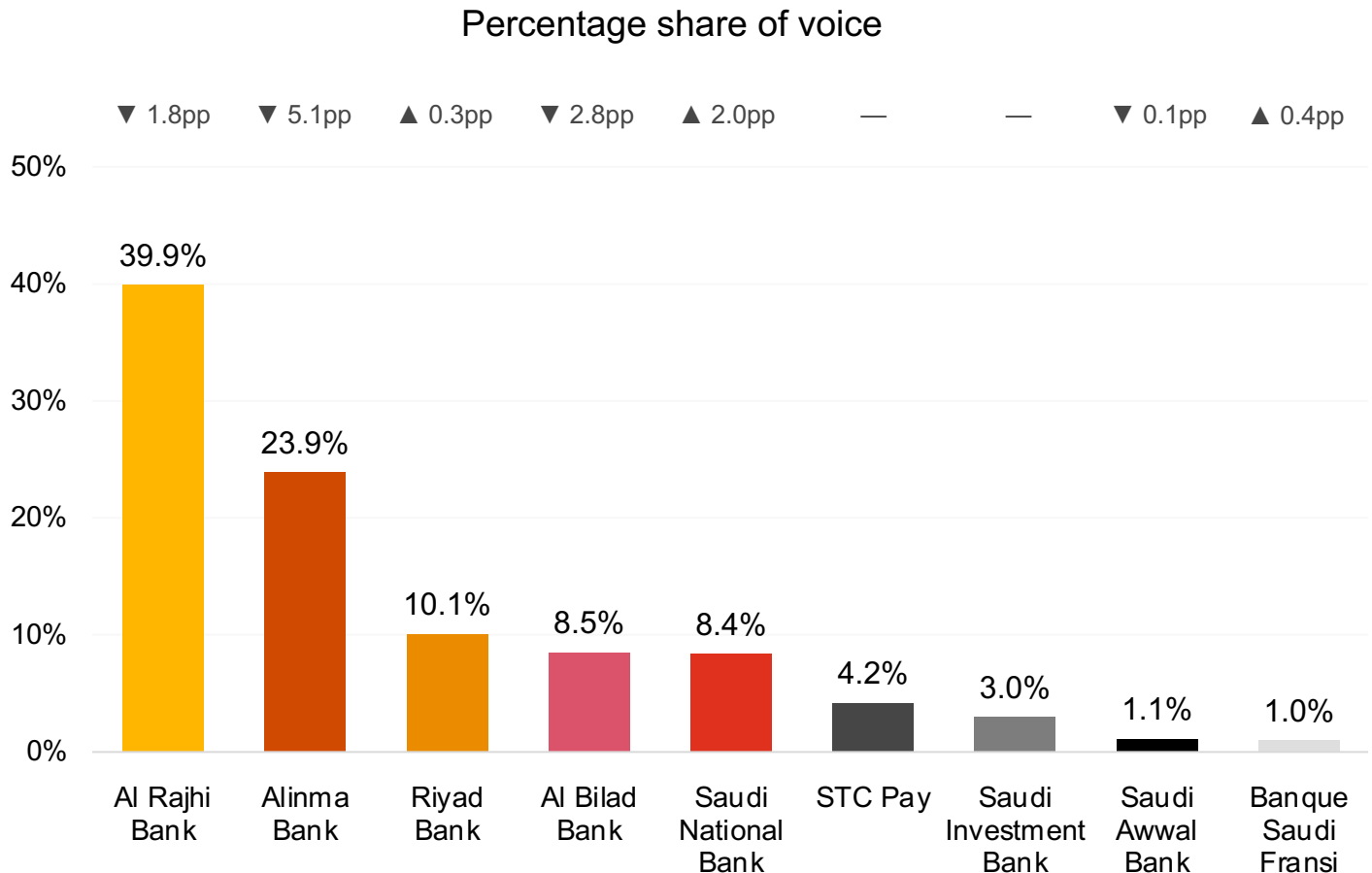


01

Industry overview

Al Rajhi and Alinma remain most spoken about banks

Al Rajhi Bank continued to dominate the industry's share of voice with 39.9%, followed by Alinma Bank with 23.9%. The rest of the banks constituted 10.1% and below of the overall online conversation.



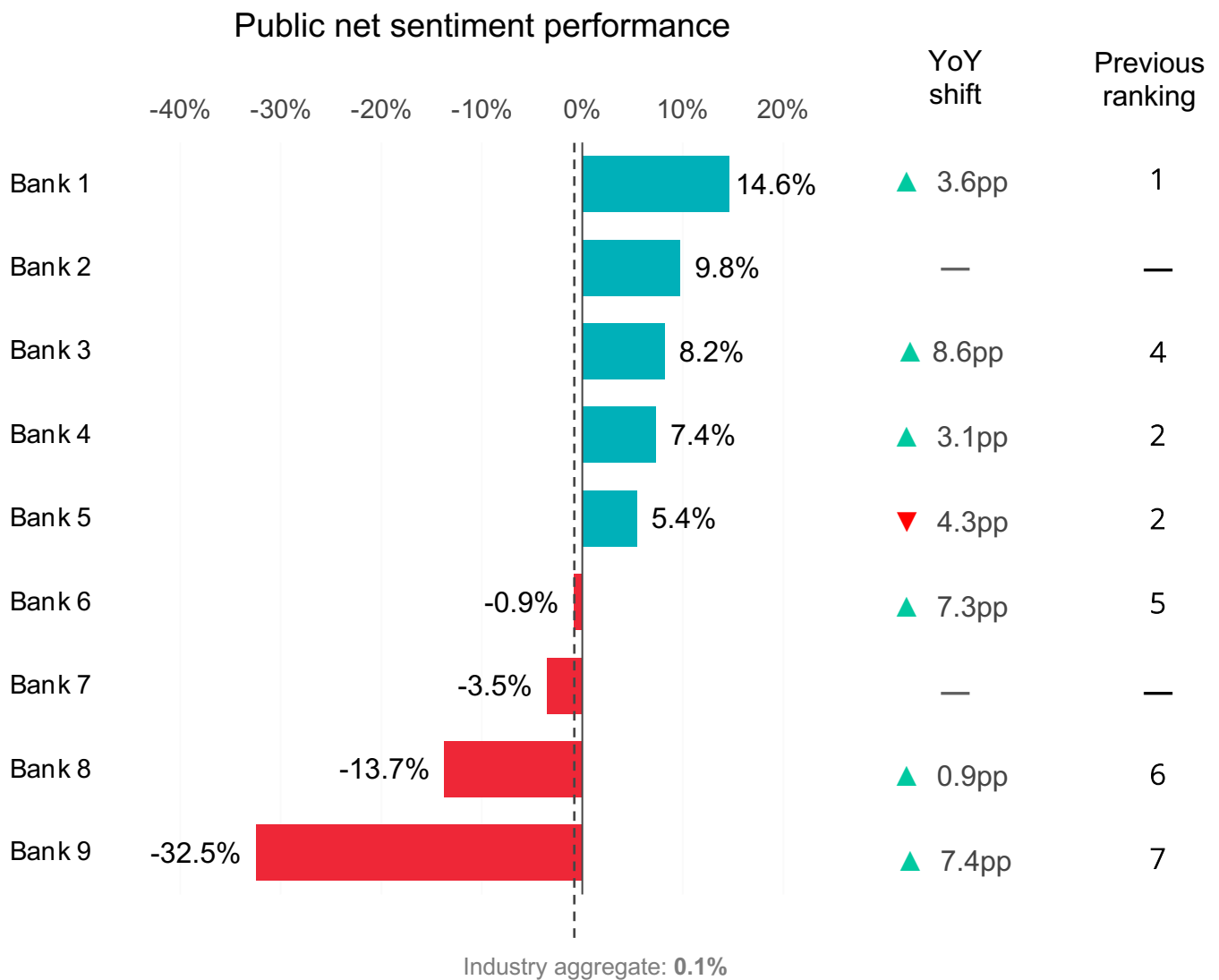
Consumer sentiment remains stable

The industry aggregate net sentiment improved slightly year on year, from -0.8% to 0.1%. Net sentiment¹ scores across the banks, however, varied significantly, with five banks achieving positive scores, while four banks scored negatively. The leading bank scored 47.1 percentage points (pp) higher than the least performing bank, demonstrating the large spread of performance across the industry.

¹ **Net sentiment** is a real-time customer satisfaction metric that is measured by collecting unstructured text from publicly available online conversations.

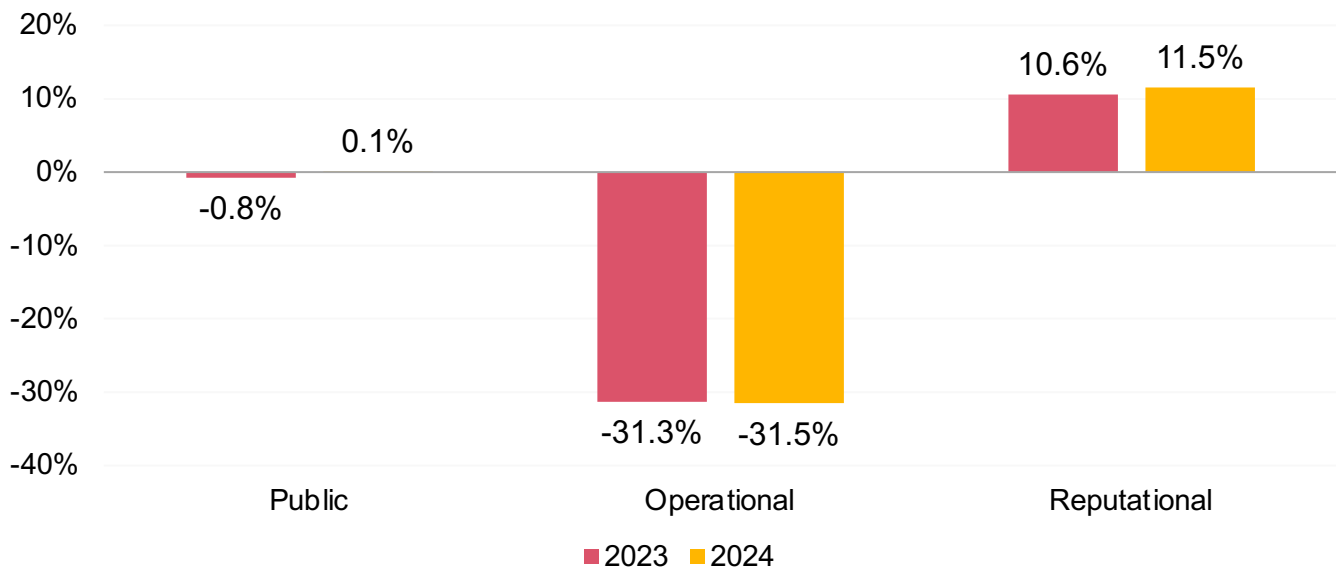
Industry overview

Net sentiment towards Saudi banks is shaped by two types of conversations: operational and reputational². By classifying discussions into these two categories, industry stakeholders can better understand the factors driving net sentiment and tailor their strategies accordingly. Both public and reputational net sentiment saw gradual improvement since the last index while operational net sentiment recorded a slight decrease.



² **Operational conversation:** Authors speaking about an experience with the brand's products or services, as well as customer feedback or requests for assistance from the brand/entity.
Reputational conversation: Consumer or press conversation that does not directly relate to the customer experience with a brand. This includes sponsorship, campaign, journalistic, and other reputational content. It does not include conversation about the bank's services.

Year-on-year net sentiment breakdown



Reputational conversation accounted for

73.9%

of total verified conversation

Reputational matters mask operational deficiencies

Persistent operational issues continued to negatively impact the industry's public net sentiment. In contrast, positive discussions around reputation have served as the main driver of goodwill towards Saudi banks, diverting attention from critical feedback on services and products.



02

Customer experience

Customer experience

Upon analysing the major topics of conversation across the Saudi banking industry, consumers appear to be attracted to well-priced products, but there is room for improvement in the areas of customer service and digital platforms.

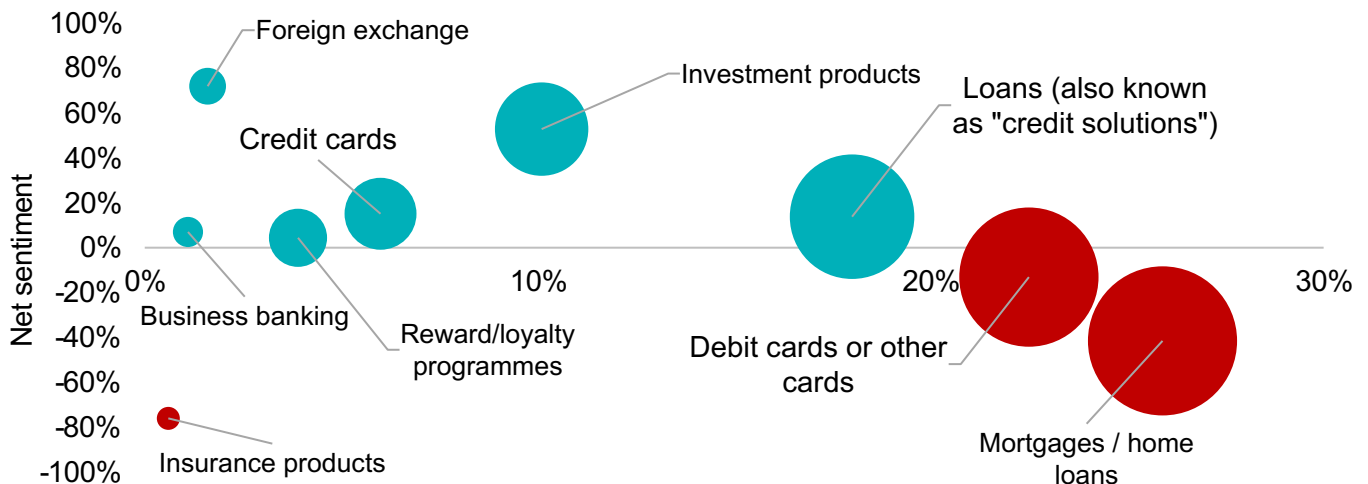
Major topics analysis

| Topic | Volume | | Net sentiment | | |
|---------------------|--------|----------|---------------|----------|--|
| Products | 39.8% | ▲ 14.2pp | -12.2% | ▲ 25.2pp | |
| Customer service | 23.8% | ▼ 1.9pp | -78.4% | ▲ 3.7pp | |
| Account admin | 18.7% | ▲ 1.4pp | -74.1% | ▲ 12.7pp | |
| Digital experience | 16.0% | — 0.0pp | -74.5% | ▲ 6.6pp | |
| Transactions | 8.7% | ▲ 0.5pp | -71.2% | ▲ 15.2pp | |
| Pricing or fees | 6.9% | ▲ 3.6pp | 40.3% | ▲ 41.8pp | |
| Physical facilities | 4.9% | ▼ 1.2pp | -64.9% | ▲ 7.8pp | |

Interest in banking products overshadowed by complaints of high rates

While products saw the largest volume of topics of conversation, these discussions were predominantly negative, with a sentiment score of -12.2%. This negativity primarily stemmed from conversations regarding mortgage/home loans, credit solutions, and insurance products.

Product volume and net sentiment



Mortgages and home loans were a prominent concern for customers amidst complaints of high rates, delays in applications processing and installment challenges.

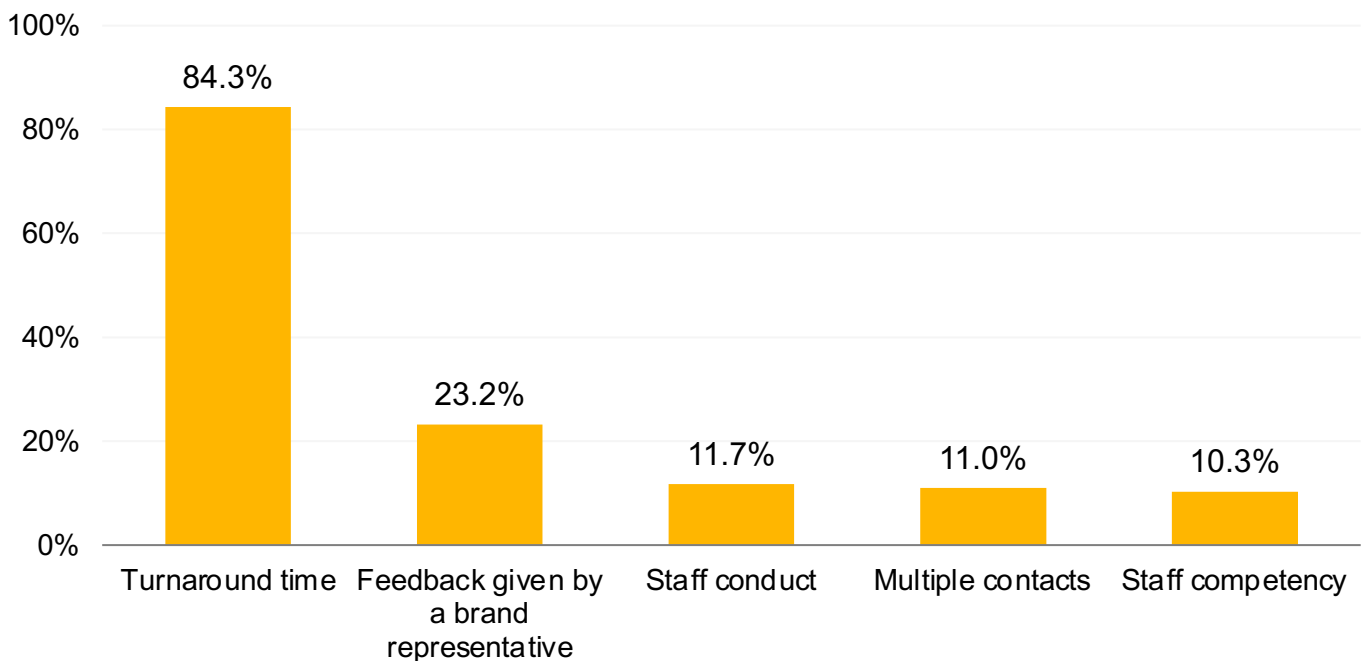


Slow support remains primary pain point

Customer service remained a key area of concern for Saudi banks, although there has been a reduction in the volume of negative feedback and an improvement in net sentiment.

Industry customer service complaints

Percentage volume by negative topic as it relates to service feedback



Turnaround time accounted for

84.3%

of total customer complaints

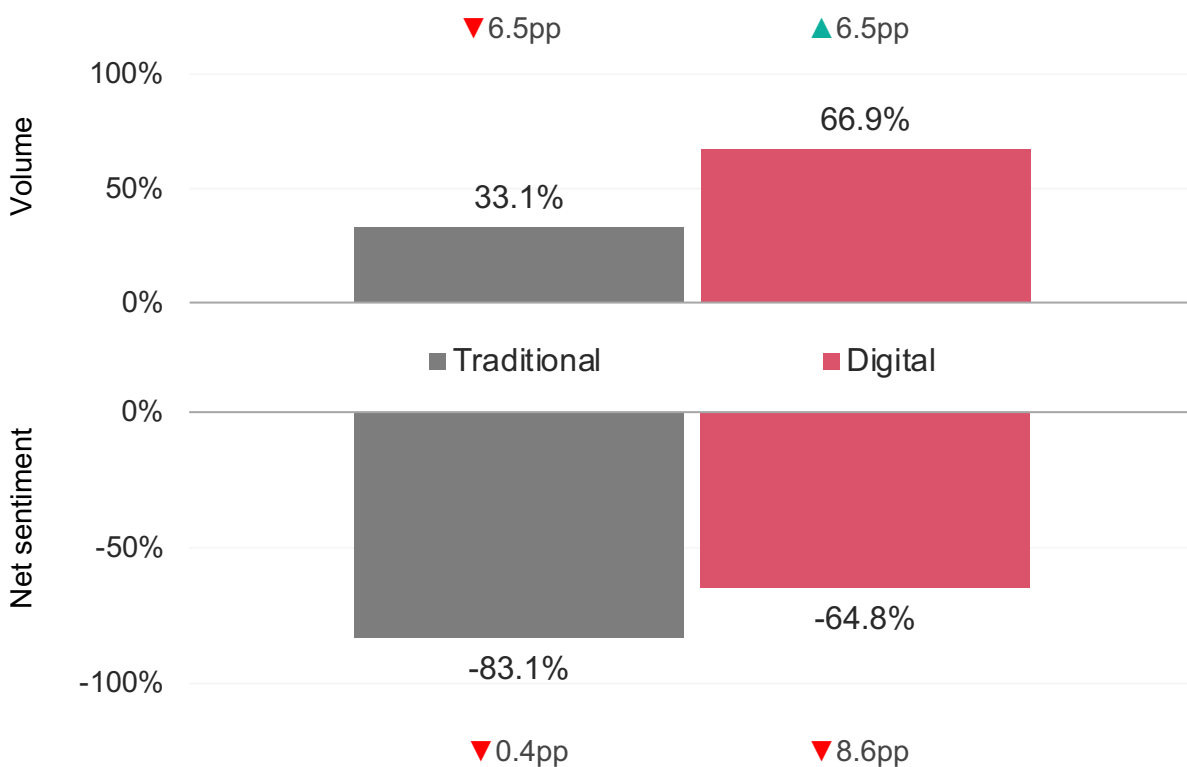
Turnaround time was the common pain point for all banks, making up 84.3% of total customer service complaints. A common concern was the significant delay in receiving responses to submitted complaints or requests, with some customers reporting waits of over a week without any update. This extended to applications for bank accounts and banking products like loans and cards, leaving customers perplexed by the prolonged waiting periods for seemingly straightforward and completed applications. Additionally, sales inquiries and attempts to contact representatives were met with dissatisfaction, leading to frustrations and even threats regarding consumer purchase intentions.



Customers increasingly prefer digital channels

Compared to traditional channels, digital channels experienced a higher share of conversation; an increase of 6.5pp from the previous index. While both traditional and digital channels saw predominantly negative conversation, digital channels recorded a better net sentiment score of -64.8%, 18.3pp higher than traditional channels.

Traditional vs. digital channels: Volume and net sentiment



Digital channels had a net sentiment score of

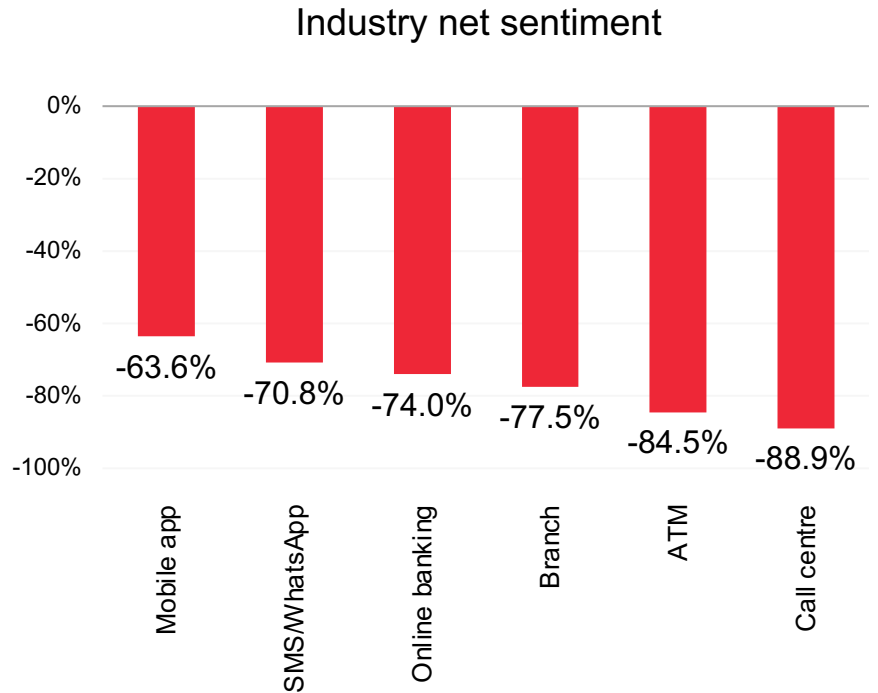
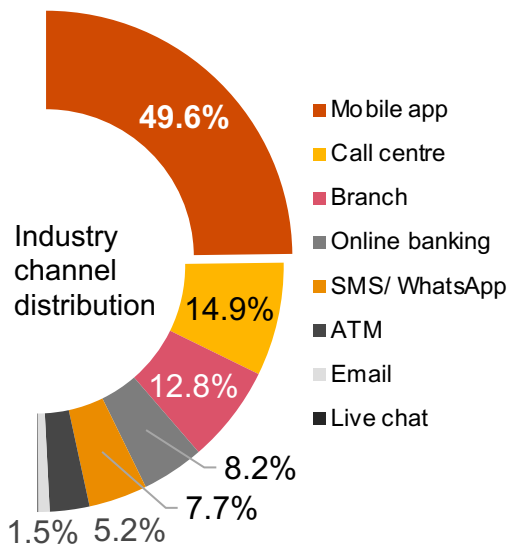
-64.8%

18.3pp higher than traditional channels



Almost half of all channel conversation is about mobile apps

While still negative, conversation about mobile apps had the best performing net sentiment score of -63.6%. Complaints mainly revolved around technical issues, downtime, and inability to complete processes and requests using the app. Customers frequently faced difficulties in accessing accounts, problems with making transactions, errors, and delays in receiving verification codes.



Mobile apps was the best performing service channel with a net sentiment score of

-63.6%

A fifth of customer mentions require a priority response from banks

High-priority conversations are identified by DataEQ and referred to as “actionable mentions” or Risk, Purchase, Cancel, and Service (RPCS) conversations. These are the mentions that banks should direct their attention to for timely responses. DataEQ defines actionable RPCS conversations as:

Risk

Mentions that pose an operational or reputational risk for the brand.

Purchase

Mentions from prospective customers who want to purchase products or services.

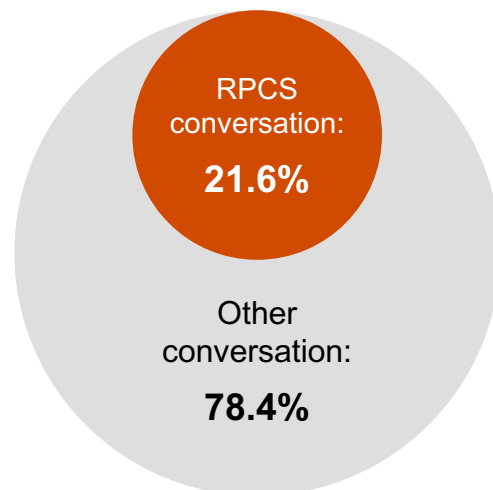
Cancel

Mentions from customers looking to cancel their service or not purchase from the brand again.

Service

Mentions from customers who require assistance or describe an experience with the brand.

Across the industry, just over a fifth of all mentions were actionable. This means that almost 80% of all online conversation about the banks was noise for social customer service teams, hindering their ability to prioritise the mentions that did warrant a reply.



More than a third of priority conversation goes unanswered

More than half of priority mentions received a public response. This is in line with response rates among UAE banks, yet down slightly from Saudi’s average response rate of 62.5% the previous year.



KSA

56.9%

2024 industry response rate



UAE

57.1%

2024 industry response rate

Customer experience

As consumers increasingly expect 'always-on' service from digital channels, response times are measured on two different scales. The first metric gauges round-the-clock responsiveness, while the second focuses on standard business hours from 8:00 a.m. to 5:00 p.m.



KSA

2.4 hrs

24-hour industry response time

0.6 hrs

08:00 - 17:00 working hours
industry response time



UAE

11.3 hrs

24-hour industry response time

4.0 hrs

09:00 - 21:00 working hours
industry response time

Across the industry, the average 24-hour response time was 2.4 hours, while the average response during working hours was an impressive 36 minutes.



03

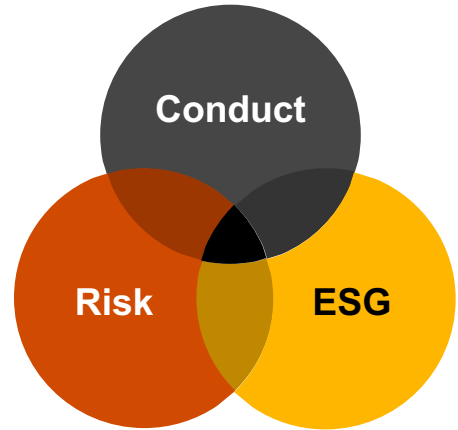
Governance



Governance relates to the accountability, transparency, and ethical conduct in the management of a company.

Definition:

Governance is the system of rules, practices, and processes by which a company is directed and controlled. It involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government, and the community.

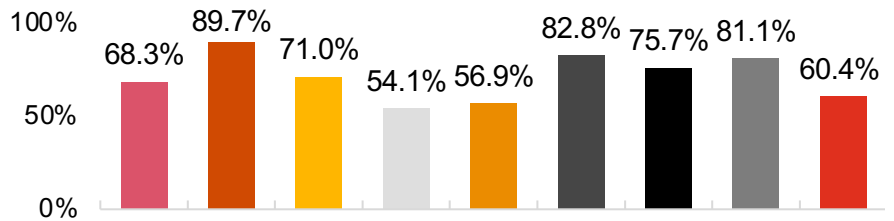


Downtime remains biggest risk driver

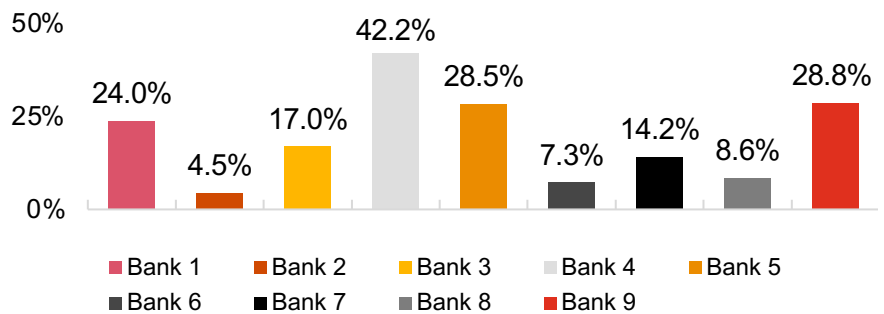
Top 5 risk factors



Percentage downtime volume by bank



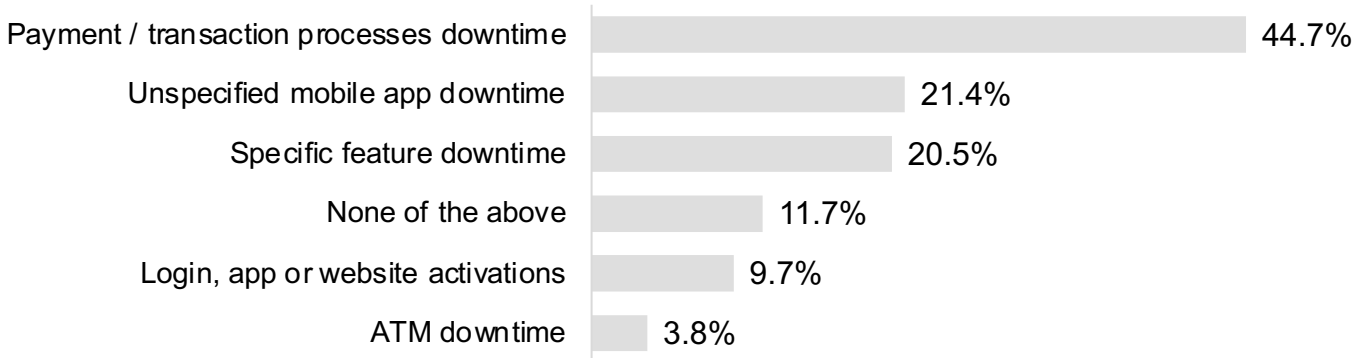
Percentage perceived business conduct volume by bank



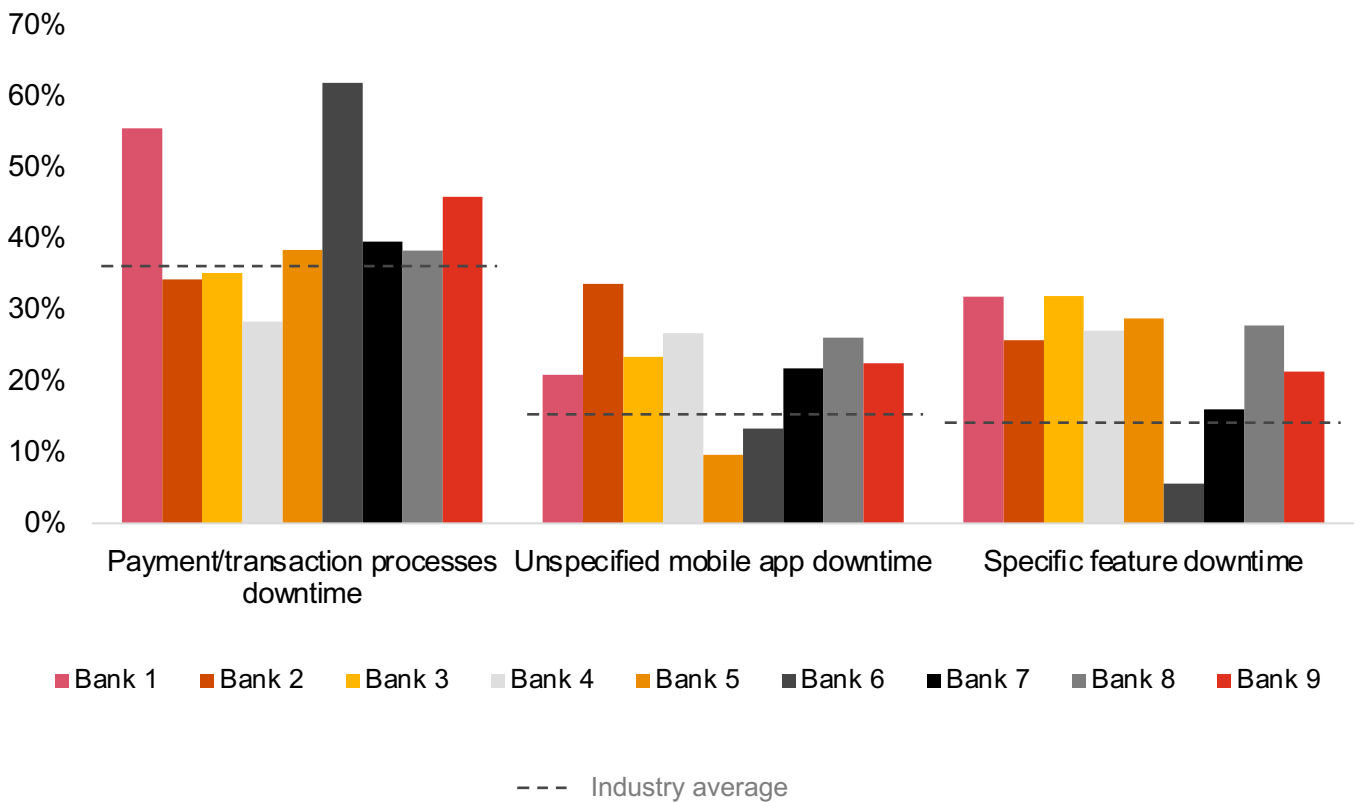
The primary topic driving risk discussions remained downtime, which increased by 5.6pp compared to the previous index. Consumers expressed frustration over issues such as difficulty accessing online banking, malfunctioning mobile apps, and faulty ATMs. These instances of service interruption became a significant source of online negativity directed at the affected bank, impacting its reputation.

Downtime negatively affected public net sentiment of the industry by 5.2pp. Complaints mainly revolved around challenges using the mobile apps offered by banks, whether through outages or technical issues blocking customers from using the services provided. The downtime of payment and transaction processes constituted the highest ratio of this conversation, at almost 45%.

Top downtime conversation drivers



Top three downtime drivers by bank



Behaviour and work ethic, and competition are the most spoken about principles

All of the eight principles outlined by the Saudi Arabian Monetary Authority (SAMA) recorded negative net principles, aside from '3. Education and Awareness'. The majority of the conversation is concentrated in Principles 4 and 8, each comprising around 45% of the total discussion on SAMA Banking Principles. Principle 1 accounted for the third highest proportion of conversation at 5.5%, while the remaining principles collectively constituted 1.7% or less of the conversation.



All eight SAMA Banking Principles recorded negative net sentiment, aside from '3. Education and Awareness'

SAMA Banking Principles volume distribution and net sentiment

| SAMA Banking Principles ³ | Volume | Net sentiment |
|--|--------|---------------|
| 1. Fair and equitable treatment | 5.5% | -99.7% |
| 2. Disclosure and transparency | 0.5% | -96.6% |
| 3. Education and awareness | 0.1% | 0.0% |
| 4. Behavior and work ethic | 45.4% | -81.0% |
| 5. Protection against fraud and misuse | 1.3% | -61.3% |
| 6. Protection of data and information | 0.5% | -94.7% |
| 7. Complaints handling | 1.7% | -97.5% |
| 8. Competition | 45.1% | -37.6% |

Principle 4, Behaviour and work ethic, encompassed customer complaints directed at bank staff, focusing on their treatment of customers and their competence in offering support and assistance. Feedback predominantly conveyed dissatisfaction, with customers expressing frustration over perceived dismissiveness and incompetence among representatives when seeking customer service.

³ Financial Consumer Protection Principles and Rules

Source: https://www.sama.gov.sa/en-US/LawsRegulations/ConsumerProtectionRules/Consumer_Protection_EN.pdf



04

Key takeaways

Key takeaways

As the KSA banking sector evolves, it is essential for institutions to listen to customers, address key operational challenges, and enhance digital offerings to remain competitive in a digital-first environment. By focusing on customer pain points, refining products, and ensuring the reliability of digital platforms, Saudi banks can align more effectively with the Kingdom's vision for a strong, inclusive, and forward-looking financial sector.

Here are some of the key takeaways in the KSA banking sector:

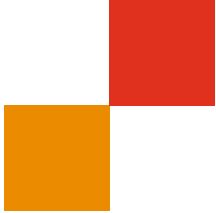
- **Dominance of specific banks:** Al Rajhi Bank and Alinma Bank continue to dominate the share of voice within the industry, accounting for 39.9% and 23.9% of the total online conversation respectively. This reflects their strong market presence and the significant role they play in shaping public discourse.
- **Stable, yet divergent sentiment:** The overall net sentiment in the KSA banking sector slightly improved, rising from -0.8% to 0.1% from our 2023 analysis. However, sentiment scores varied widely among banks, highlighting the diversity of consumer experiences across different institutions.
- **Operational challenges:** These remain a critical pain point for Saudi banks, significantly impacting public sentiment. Despite improvements in reputational sentiment, persistent operational deficiencies, especially in customer service and digital platform performance, continue to generate negative feedback.
- **Digital adoption and challenges:** Consumers are increasingly turning towards digital banking channels, with a 6.5pp increase in conversations about these platforms, compared to traditional channels. However, technical issues, particularly with mobile apps, remain prevalent, underscoring the need for continued investment in digital infrastructure.
- **Customer service concerns:** Customer service, especially turnaround times, remains a major source of dissatisfaction. Although there has been a slight improvement in sentiment in this area, the high volume of complaints indicates that it requires further attention to meet consumer expectations.
- **Risk management focus:** Downtime, particularly related to digital platforms, has emerged as the primary risk factor affecting the sector. The increase in downtime-related complaints highlights the importance of robust IT infrastructure and effective risk management strategies to safeguard consumer trust.

We hope that this index continues to serve as a crucial tool for industry stakeholders to understand the current sentiment landscape and to strategically navigate the opportunities and challenges that lie ahead.



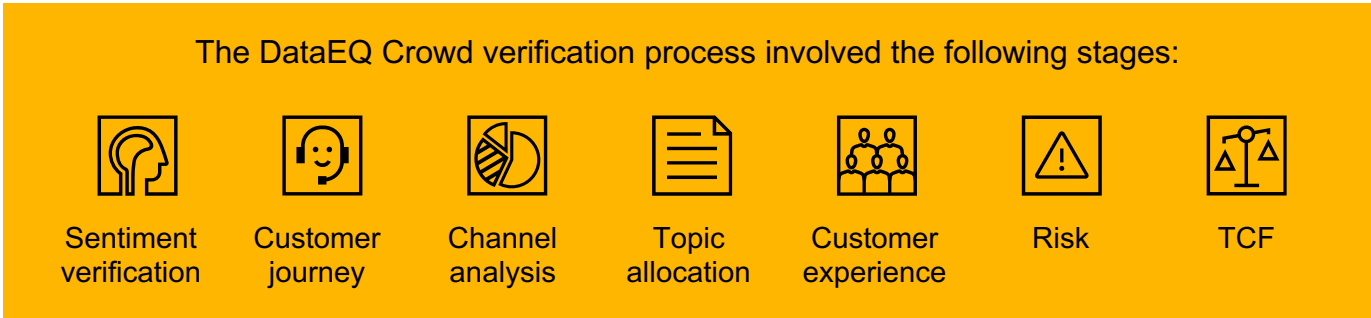
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Methodology



Public mentions

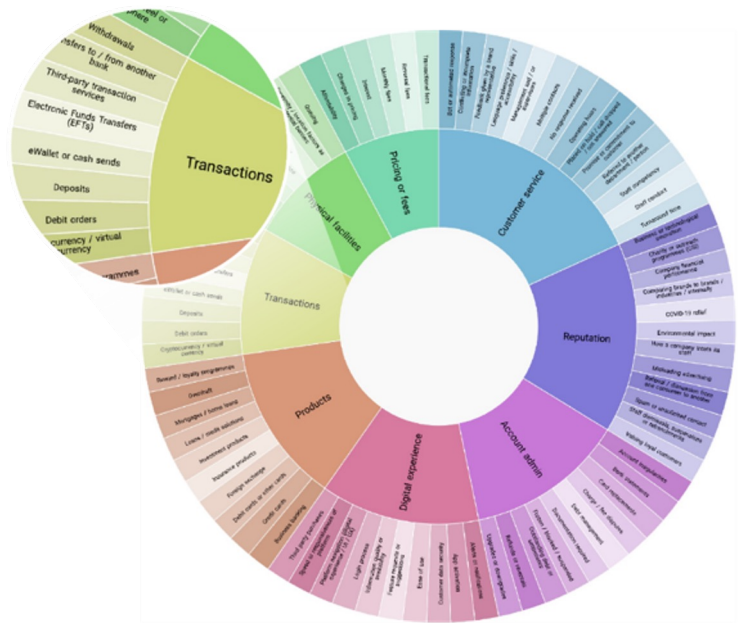
62,800 public mentions across Al Bilad Bank, Al Rajhi Bank, Alinma Bank, Banque Saudi Fransi, Riyadh Bank, STC Pay, Saudi Awwal Bank, Saudi Investment Bank, Saudi National Bank from 1 May 2023 to 31 December 2023.



Topics methodology

The Crowd identified which of the 88 predefined banking related topics were contained in each mention. Eight major topic themes encompass 88 subtopics.

The broader themes are customer service, reputation, account admin, digital experience, product, transactions, physical facilities, and pricing or fees.



Sentiment methodology

To carry out sentiment analysis with a 95% confidence level and an overall 0.2% margin of error, a random sample (62,325) of these mentions were processed through DataEQ’s proprietary Crowd of vetted and trained local language speakers. Each post was coded and verified by multiple Crowd members who assessed the sentiment in the post (positive, negative or neutral).

Contact us



Mark Stanley
Partner | Financial Services
Consulting
PwC Middle East
mark.stanley@pwc.com



Jean Abou Assi
Partner | Digital Services
Consulting
PwC Middle East
jean.assi@pwc.com



Wissam Hajjar
Director | Financial Services
Consulting
PwC Middle East
wissam.hajjar@pwc.com



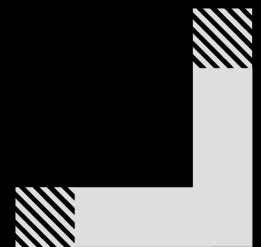
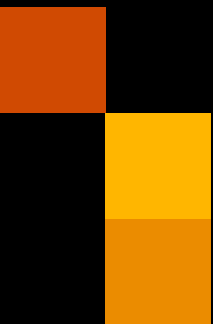
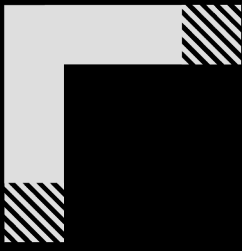
Afaq Qazi
Director | Financial Services
Consulting
PwC Middle East
afaq.qazi@pwc.com



Melanie Malherbe
Managing Director
DataEQ
melanie.malherbe@dataeq.com



Jamie Botha
Head of Partnerships UK
& Middle East
DataEQ
jamie.botha@dataeq.com



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