



NEAR EAST UNIVERSITY
INSTITUTE OF GRADUATE STUDIES
MASTER OF BUSINESS ADMINISTRATION

**The effect of changing customer expectations on the banking
sector during the COVID-19 pandemic**

Omar Mohammed Issa Seyam

MASTER'S THESIS

NICOSIA
2021

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2021

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ABSTRACT

The effect of changing customer expectations on the banking sector during the COVID-19 pandemic

Severe impacts of Covid-19 pandemic which erupted in 2020 have been intensely felt in the banking sector, as in all other sectors. In this period, all customer behaviors, needs, preferences, and expectations have changed in a significant manner. Like the other sectors, the banking sector had to implement various changes in order to adapt to new dynamics and survive during the pandemic. The spending of individuals have been greatly reduced due to factors such as job insecurity, layoffs, and salary deductions. Economic constriction has forced banks to offer various support packages. On the other hand, the fact that the number of employees, physical customers, and branches decreased as a result of measures taken during the pandemic has brought digital channels to a more strategically important point. This process resulted in massive adoption of digital channels even by customers who resist digital transformation.

In summary, changing customer habits and expectations have pushed banks to develop the way they are serving. This study aims to reveal how the change in customer expectations during the Covid-19 pandemic alter the service models of banks.

Keywords: Banking Sector, Customer Expectations, Digital Channels, Service Model, Covid-19

ÖZ

COVID-19 Pandemisi Süresince Müşteri Beklentilerinin Değişmesinin Banka Sektöründeki Etkisi

2020 yılında baş gösteren Covid-19 pandemisinin etkileri, tüm sektörler gibi bankacılık sektöründe de tüm şiddetiyle hissedilmektedir. Müşteri davranışları, gereksinimleri, tercihleri ve beklentileri, bu süreçte önemli ölçüde değişime uğramıştır. Tıpkı diğer sektörler gibi, bankacılık sektörü de pandemi sürecinde, yeni dinamiklere uyum sağlamak ve ayakta kalabilmek adına, birtakım değişikliklere gitmek durumunda kalmıştır. İş güvencesizliği, işten çıkarma ve maaş kesintisi gibi etkenlerden kaynaklı olarak, salgın döneminde bireylerin harcamaları belirgin biçimde azalmıştır. Bu durum, bankaları çeşitli destek paketleri sunmaya zorlamıştır. Öte yandan, yine pandemi sürecinde alınan önlemlerle birlikte; çalışanların, fiziksel müşterilerin ve şubelerin sayıca azalması, dijital kanalları stratejik anlamda daha bir önemli bir noktaya taşımıştır. Söz konusu süreç, dijital dönüşüme direnç gösteren müşterilerin dahi dijital kanalları aktif olarak kullanması ve bu kanallara büyük oranda adapte olması ile sonuçlanmıştır.

Özetle, değişen müşteri alışkanlıkları ve beklentileri, bankaları hizmet modellerini geliştirmeye itmiştir. Bu araştırma, Covid-19 pandemisinde müşteri beklentilerindeki değişimin bankaların hizmet modellerini nasıl etkilediğini ortaya koymayı amaçlamaktadır.

Anahtar Kelimeler: Bankacılık Sektörü, Müşteri Beklentileri, Dijital Kanallar, Hizmet Modeli, Covid-19

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ABBREVIATIONS

QIB	Qatar Islamic Bank
QNB	Qatar National Bank
CBQ	Commercial Bank of Qatar
CRM	Customer relationship management
WHO	World Health Organization
ATM	Automated teller machine
FinTech	Financial Technology
BaaS	Banking as a service model
ECB	European central bank
PEPP	Pandemic emergency purchase program
GCC	Gulf Cooperation Council
CBA	Commonwealth Bank of Australia
KYC	Know your customer
OTP	One time password

CHAPTER I

INTRODUCTION

1.1 Introduction

The economic and humanitarian crisis caused by the rapid spread of the covid19 disease hit all aspects of people's lives, and they began to struggle with basic daily tasks. Governments activated emergency mode and started strict restrictions and bans, causing the world economy to be affected by these restrictions, leading to many employees losing their jobs or reduction in salaries, and many small companies shut down completely.

Countries' Governments have not ignored the affected sectors and citizens, as they are part of the economic cycle and are following emergency procedures to reduce the disease's impact as much as possible. The United States, Gulf Cooperation Council and European Union pumped and supported their banks with billions of dollars to enhance the market. On the other hand, banks started to mitigate the enormous pandemic impact on their customers to ensure their safety. Banks have created new business models that fit all customer segments, such as limiting the need for physical presence at their branches and shifting towards using digital channels.

Customers' behaviour changed during the ongoing pandemic. Due to security and privacy, customers were previously afraid of using online channels and preferred traditional channels for daily transactions. It became obvious that the current Covid-19 situation would force banks to use different channels to reach customers basic needs because of the restrictions stated by the countries. Several sectors such as grocery stores, pharmacies, retail, entertainment, and even education began to be done remotely.

Banks realized the new customer expectations that arose from these changes and to satisfy and keep their clients. Banks started to improve their models by shifting towards digital channels. Even though the shift is costly in the short run, it is undeniable to cope with the ever-shifting economic and technological landscape. This shift also prevents the higher long term cost of losing customers to competitors. Several improvements were conducted in bank services to ensure their customer's safety and reduce the customer's

need to visit branches for their daily transactions or any other inquiries. Services like online banking, mobile banking, contactless debit and credit card and interactive ATMs increased during the pandemic, which indicates the importance of this improvement and the needs of such services for customers' satisfaction. For example, Qatar's banks have improved their digital banking platforms to cope with customers' high demand on online channels due to the countries lockdown and social distancing restriction. The current situation has accelerated customers' adoption of digital trends and technologies.

Chapter 1 is the introduction section that consists of a problem statement, research questions, the study's aim, and the significance of the study. Chapter 2 goes deeper into the review of related literature. Chapter 3 looks at the methodology that consists of the research design and model, study group, data collection tool, analysis, and the researcher's role. In chapters 4, 5 and 6 will be the findings, results, conclusions and recommendations, respectively.

1.2 Problem statement

The economic cycle is getting faster. Technology has improved to become more innovative to cope with changes in customer expectations, specifically during the current pandemic (Covid-19) world challenge. It became the fact that people's lifestyle has changed, not only by the way they socially interact with one another or the way they work but by having different expectations and changing their purchasing decisions. This change has led to a wave of changes towards digitizing each aspect of people's life. One of the main changed aspects is the banking service model and how it contributes to overcoming the tough life restrictions. The changes in the banking model are driven by the customers' expectations and what they think their house bank should provide during such a crucial precedent. Currently, customers tend to use new payment methods based on modern technologies, resulting in a decline in traditional cash payment usage because the virus could spread by cash exchange. A recent study revealed that customers' cash usage declined by 57%, favouring other alternatives such as debit cards, credit cards and online payment tools (Meekings & Bellens, 2020).

Moreover, the current situation stimulated customers to disregard the main rooted

challenge to shift to modern banking, namely the security and privacy concerns. After breaking that barrier, customers recognized the enormous benefits of E-banking, such as higher responsiveness level, better service quality and improved inquiry options. In return, the banking sector supported their customers through this crisis by rescheduling the mortgage loans, showing flexibility and willingness to work with each customer's circumstances separately for mutual interest. On the one hand, it enhances customer retention towards the bank. On the other hand, it benefited the customers in different ways, such as financing them for a couple of months if they lose their jobs or pay mortgages and other loans.

For the banks to understand customers' satisfaction and quality of services, many studies have been conducted. However, no research has been found about changes in the banking service model in Qatar and what changes banks have done to meet customers' expectations. Does it restrain customers from switching to other competitors? Do the customers switch from one bank to another based on the overall services provided by their house bank?

1.3 Research question:

- How has changing customer expectations affect banking service model during COVID-19 pandemic?

1.4 The aim of the study:

The covid-19 pandemic changed the banking service model and the customers' expectations in Qatar, and no studies focused on these changes. As a result, the goal of this study is to fill this gap. The study's main objective is to explore how covid-19 changed customer expectations and the bank service model.

1.5 The significance of the study:

The significance of this study is to explore how the change in customer expectations affected the banking service model during the COVID-19 pandemic. As no previous study has been found in this field related to this topic in Qatar, this research will contribute to the banking sector in the country. Moreover, there is limited research that

had been conducted in this field in other countries. This study will help banks better understand customer behaviour during crises and improve existing services to reach customer satisfaction, retention, and acquisition. The study can also be used as reference material by other scholars.

CHAPTER II

LITERATURE REVIEW

2.1 Global Pandemic and the reshaped banking model

The world health organization (WHO) declared the Novel Coronavirus (2019-nCoV) at the beginning of 2020, commonly known as Covid-19. The city of Wuhan, China, was the first to recognize the virus and continued to spread worldwide. Covid-19 expanded to 235 countries and territories, which caused more than 65,000,000 confirmed cases globally, including more than 1,500,000 deaths as of the 5th of December, 2020. The confirmed cases in the Americas and Europe regions reached more than half of the total confirmed cases which are 27,754,113 and 19,535,185, respectively (WHO, 2020). Covid-19 caused international health emergencies and became a severe threat to human health worldwide, and in some locations, it is considered a humanitarian crisis. Countries started to take actions to mitigate the virus spread; these actions included closing the borders, deactivating workers and bans to save people's lives. As a result, there was a significant shock to the world economy, and many people lost their jobs while others got reduced wages. Moreover, businesses and specific sectors like tourism, hotels, airlines, and the automotive industries suffered from economic difficulties and the inability to pay their financial obligations. Governments' interference to reduce the effect on the economy by creating emergency programs to assist and mitigate the short-term effect of the pandemic on the economy (Kulinska-Sadlocha, Marcinkowska, & Szambelanczyk, 2020).

After more than a decade since the last 2007/2008 mortgage crisis that caused one of the biggest four investment banks in the United States, Lehman Brothers, to go bust. Lehman Brothers is directly ranked behind Goldman Sachs, Morgan Stanley and Merrill Lynch banks (Wearden, Teather, & Treanor, 2008). The Covid-19 pandemic caused another hit in the global economic system. Due to the experiences gained from the previous crisis and the significant reforms, the banking system is now expected to be more resilient.

The 2007/2008 economic crisis affected the growth of the banking industry negatively. The banking industry was forced to change its banking model to adapt to the economic crisis and customer expectations. The global regulations have increased capital level, reducing the investment profitability, lending and lowering revenue. Moreover, negative interest rates, which is banks charge interest on deposits rather than paying interest. That led to increased competition and bank challenges on retaining and acquiring customers, lower margins by selling products with prices not much higher than the cost and changes in customers' behaviours. That left banks struggling to accelerate their deposit base growth (Gea-Carrasco & Frepp, 2016).

The widespread use of social media and technology changed customer expectations and their interaction with the banks. Consequently, banks need to shift to new effective models with a lower cost (in the long term) than the traditional banking model, which utilizes technology that eases information distribution and gathering. Moreover, banks must be prepared for one of the biggest threats to the banking industry from the financial technology (FinTech) revolution. The global FinTech investment increased since 2008, but the sharp incline was from 2013 to 2014, amounting to USD 12 billion (**figure 1**), which explains why the banking industry needs to shift to digital banking in coming years (Gea-Carrasco & Frepp, 2016).

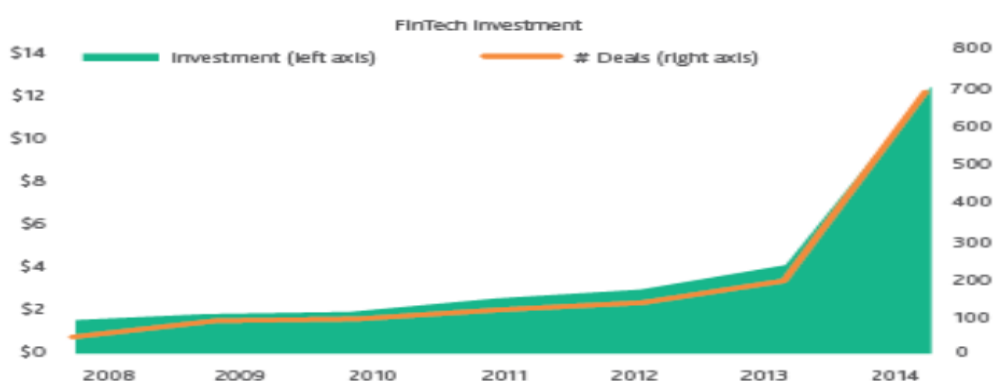


Figure 1: Fintech Investment, USD Billion

(Gea-Carrasco & Frepp, 2016)

2.2 Readiness of Remote Working

Due to the global fighting the spread of Covid-19 disease, countries shifted to distant mode after the complete lockdowns. In order to shift to work remotely, the internet infrastructure and the massive load on it needed to be considered. Some countries were ready to shift to remote working, and others were not. The below **(Figure 2)** shows the 42 countries examined to understand if countries are prepared to work from a distance, using three indicators: robustness of key platforms, the flexibility of digital payments options and internet infrastructure to traffic surges. Regarding surges in digital traffic, all countries were not prepared for the huge load. However, advanced economic countries like the United Kingdom, Canada, the United States, Norway and New Zealand are prepared to work remotely. They have robust digital platforms and vital infrastructure for payments. Meanwhile, other less developed countries such as Chile, Indonesia, and India, were not prepared for the lockdown and remote working. Especially India is considered the least prepared in all the examined countries; with more than 1,3 billion people under complete lockdown, a third of their IT workers keep going to work to manage the essential functions for worldwide companies (Chakravorti & Chaturvedi, 2020).

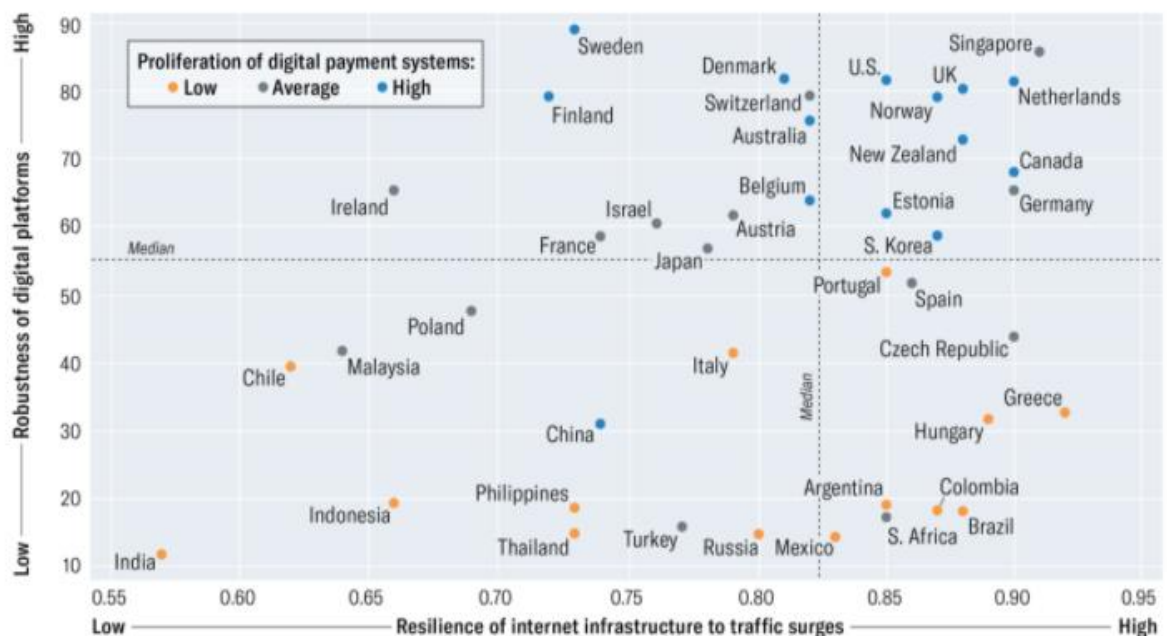


Figure 2: How prepared are countries to work from distance?
(Chakravorti & Chaturvedi, 2020).

2.3 Changing customer expectations

In the nineties, banks functioned as brick-and-mortar outlets where bank staff were providing services to the long queue customers manually. The introduction of technology-based solutions in the banking sector had resulted in a reduction of customers' physical presence. Throughout the years, banking services had developed gradually, and the effect of the customers' expectations on the banking services was recognized to significantly impact the services after each financial crisis. However, the influence of the pandemic is different from one sector to another. Nowadays, customer expectations from the banking sector are higher than in the old days due to the technological revolution, the circumstances of the Covid-19 pandemic and the existence of variable options. A study done by Accenture (a multinational professional services company) in 2017 for more than 32,000 banking customers worldwide showed how innovation could lead to customer interaction with their banks. The study highlighted the sales opportunity the banks can have if they re-gain customers trust and loyalty by balancing digital innovation and traditional values to satisfy customers. In addition, they categorized the customers into three types: the first type is looking for quality services, the second type are looking for the best deal price. In contrast, the third type is the ones who value digital innovation. The survey concluded varying needs and priorities among the three types, indicating that banks need a reshape to increase customers' retention and acquire new customers (Accenture, 2017). The need for change had been recognized in many retail banking reports; for example, Capgemini (multinational services corporation) indicated that It was necessary to change the traditional channels after the growing influence of direct and subsidized channels was demonstrated. Changing traditional channels through renewable channels usage patterns (Capgemini & Efma, 2018).

PwC (PriceWaterhouseCoopers) research showed that 60% of European banking customers use more than one bank instrument and account, as almost half of Italians use smartphones and tablets to access the internet. The banking sector acquires their customers through the internet, which is considered the main channel where 63% of them use it to purchase, manage banking and financial products and services compared to 58% in physical presence at the branch, and 24% on a mobile application. In return,

enhanced the banking sector motivation to improve the customer experience with financial technology “FinTech”, a digital technology used to provide practical, user-friendly, innovative and simple online services to customers to meet their expectations (Righini, 2019).

The increase in regulatory restrictions on banks after the economic crisis led to unimpressive revenue and difficulty to generate it from fee income and the spread of interest rates. To increase revenue, the banks either try to acquire new customers (which is complex) or retain existing customers. For instance, customer retention is considered a clear revenue source opportunity for banks to generate more revenue by implementing the cross-selling strategy and selling more products and services to existing customers such as current accounts, savings accounts, loans, and insurance (Freeman, 2013). A study conducted by Gallup (analytics and advisory company) shows that about 25% customers who have more products such as: checking account, saving account, mortgages and credit card, believes the bank looks out for their financial well-being, which is the effectiveness of the cross-selling strategy that keep and build trust in the (Goodman, 2021).

A study conducted by Deloitte on 4,271 different checking account customers from the age of 18 years old and above for the period between 16th – 30th of August in 2012 shows that most of the customers are taking the opportunity of other financial institutions instead of their primary bank for the usage of different services and product holding such as: saving account, Credit card, mortgage loan, investment account and life insurance. For instance, 33% out of 75%, 9% out of 35% and 3% out of 42% respondents used primary bank products for credit cards, mortgage loans and life insurance policies. In order to understand the products owners’ behaviour, the respondents were segmented into 4 groups: Basic users (young and middle aged with middle-aged), Value shoppers (aged 45+ and average to high income, who shop for best value), Diversifiers (the wealthiest respondents aged 45+) and Consolidators (low to average income who are nearly or in retirement). Basic users are the lowest product ownership as they hold only saving accounts and credit cards due to low income. Although value shoppers hold the ownership of many bank products, only 1.1% of these products are with their primary banks because 74% believe that primary banks services quality need to be improved.

Diversifiers are the highest in bank product ownership, but they are price sensitive, with their primary bank's 3.6 out of 6.3 products. Consolidators are the most loyal customers and have a strong relationship with their primary bank with 3.6 out of 4.1 products are provided by their primary bank. In light of the variances between banks' customer segments, the Deloitte report suggested an excellent sales opportunity for banks to generate revenue by conducting an effective cross-selling strategy by going beyond demographics, understanding customers' behaviour, and redesigning the banking channels (Kar & Wadhvani, 2013).

McKinsey & Company reported a 10% increase in online customer base that resulted from the pandemic. Moreover, many customers will keep using the online services even when the normal life returns and the shops reopen again. McKinsey & Com found an increase in online purchases percentage in 12 different countries (significant economy countries), which in some purchasing categories has reached 50%, such as grocery purchases in the United Kingdom (Charm et al., 2020). Derived by the technological advances and the previous crisis experiences, customers' expectations are too high that they are not expecting to survive only the current situation and escalate their lifestyle in all aspects, including the banking sector.

2.4 Bank Reaction to Customer Expectations

The pandemic has reshaped the global economy, with the changing behaviour of the consumers, the retail banking facing earning challenges and risk of financial distress. The evolving banks' customer preferences led to an increase in the customers' use of digital channels. Customers expect to incline the use of online channels after the pandemic from 15% to 20% in the United States, Spain, and Italy. Moreover, Western European customers' preferences of digital daily transactions increased from 60% to 85%, including the customers aged 65 years and older. The shift of customers' preferences may reduce bank branches, call centres, and the workforce. Meanwhile, there will be a significant increase in digital sales and services, as most customer needs will be handled remotely (Charm et al., 2020).

The banking sector can help customers meet their needs in the current covid-19 crisis by providing modern digitized solutions. Firstly, banks can start by raising the digital and remote banking awareness for their services (i.e. contactless debit/credit card, online money transfer) to guarantee customer retention and acquisition. Currently, online banking is not familiar to customers in many countries. McKinsey & Company reported that half of the US banking customers had never used or infrequently used mobile banking apps. Secondly, banks can support distressed customers through simple, transparent, easy to use procedures. For instance, bank services can be deferring and restructuring loans, flexible payment options and fast approval. Thirdly, banks shall interact effectively with their customers to pinpoint the needed improvement to each provided service to increase efficiency and reach customer satisfaction (Bensley, Chheda, Schiff, Stephens, & Zhou, 2020). Fourthly, banks and customers can benefit from the current situation through the cross-selling strategy, which can be offered in the form of higher credit card loyalty rewards based on account opening and instant loan recommendations based on credit card usage. Finally, there are new opportunities for the banking sector to make the customers' lives more resilient by implementing banking as a service (or BaaS). Banking as a service model means that the bank will integrate its digital services with other companies (i.e., integrating the bank online payment service into electricity and water utility bill, telecommunication bills and governmental services bills) (Bessenbach, 2019).

2.4.1 The emergence of new banking service model

The improvement of technology-led customers to switch from traditional and physical bank branches to digital banking. Technology transition enhanced the customer experience with the new ease to use new digital access products and services. For example, customers can deposit their physical checks using their smartphone applications by taking photos of the check. However, shifting to a new banking model (online banking) will cost banks more in the short run because of the alternative services channels that need to be adopted and the number of transactions that need to be processed by the alternative channels. Regardless, in the long run, customer retention will increase as the mobile app's customer uses to increase the demand for other digital services. Moreover, that will lead banks to benefit more from the customer behaviour

changes. The banks started to reduce their branches because of the lower transactions and reduced cost of providing services digitally (Gomber, Kauffman, Parker, & Weber, 2018).

2.5 Global Efforts and Procedures Taken By Countries to Mitigate Covid19 Crisis

In order to overcome the unprecedented situation like low oil prices, increase corporate deposits withdrawal and increase the cost of funding, countries and governments are starting to support their citizens and institutions. European central bank (ECB) declared € 750,000,000,000 as a pandemic emergency purchase program (PEPP) to support and assist the banking sector, which will, in return, affect the production and employment positively and boost loans. Moreover, the United States Fed took similar action that includes purchases of T-bills and mortgage-backed securities amounting to 500 and 200 billion dollars, respectively, to ensure the smooth function and enhance the market (KPMG International, 2020a). In addition, countries in the Gulf Cooperation Council (GCC) like Saudi Arabia, Bahrain, Qatar and Oman, offered a deferment of six-month loan instalment payments to the borrowers and SME's. Furthermore, Bahrain's government supported the citizens and the private sector with a BD 4.3bn stimulus package. The Monetary Authority of Saudi Arabia declared the introduction of a financing program for the private sector with a total value of SAR 50,000,000,000 under a series of measures for banks and financial institutions. Oman Central bank injected liquidity with more than RO 8,000,000,000 to the economy, and in Qatar, His Highness the Emir supported the private sector with finance amounting to QR 5,000,000,000 (KPMG LLC, 2020).

2.5.1 Efforts and Procedures Taken By Qatar during the Pandemic

Qatar's efforts to reduce coronavirus spread focused on developing the infrastructure and prepared a quarantine facility for about 18,000 people. Moreover, Qatar's government established a partnership with Microsoft in June 2020 to implement modern workplace solutions that enhanced productivity and encouraged the workforce to work remotely in an efficient manner. Additionally, to reduce the economic effect of the pandemic, the Ministry of Administrative Development, Labor & Social Affairs released

an official statement about the importance of cooperation between employers and their workers to reduce the pandemic damage on individuals. The statement also emphasizes that the workers will keep receiving the basic salary, food and housing allowances even if they are isolated or quarantine. Qatar's telecommunication companies encouraged personnel to stay at home by improving the existing services and doubling the speed of the internet without any extra fees. Moreover, Qatar banks are in a stable and strong position in the international market. Thanks to Qatar's banking service-model flexibility, different strategies were adopted during the pandemic to mitigate its impact on the customers, such as digitalization and cost reduction. Digitalization allowed the banks to react quickly to the customers daily transactions needed by activating the mobile apps and online banking, 24/7 WhatsApp and live chat support and providing contactless cards. Adopting those digital channels, among others by banks, contributed to achieving sustainable growth. Moreover, new opportunities for cost reduction were realized during the pandemic through improving banking system operational efficiency. Rationalization is one of the essential elements that supported operational efficiency, which was achieved by simplifying the banking life cycle process for some transactions such as account opening, anti-money laundry. (KPMG International, 2020b).

Numbers converted to US Dollars

S	Banks	Years	T. Assets	References	Type
1	Qatar National Bank	2019	259.5bn	(Puri-Mirza, 2020)	National Bank
2	Commercial Bank of Qatar	2019	40.5bn	(Puri-Mirza, 2020)	
3	Doha Bank	2019	29.73bn	(Puri-Mirza, 2020)	
4	Al Ahli Bank	2019	12.07bn	(Puri-Mirza, 2020)	
5	Al Khaliji Commercial Bank	2019	14.71bn	(Puri-Mirza, 2020)	
6	Qatar Islamic Bank	2019	44.92bn	(Puri-Mirza, 2020)	Islamic Banks
7	Qatar International Islamic Bank	2019	15.61bn	(Puri-Mirza, 2020)	
8	Dukhan Bank (Barwa Bank previously)	2019	21.14bn	(Ernst & Young, 2019a)	
9	Masraf Al Rayan	2019	29.23bn	(Puri-Mirza, 2020)	Foreign Banks
10	Arab Bank	2019	51.2bn	(Ernst & Young, 2019b)	
11	Mashreq Bank	2019	43.4bn	(PWC, 2019a)	
12	Standard Chartered	2019	720.4bn	(Standard Chartered, 2019)	
13	HSBC Bank Middle East Limited	2019	40.9bn	(HSBC Bank Middle East Limited, 2019)	
14	United Bank Limited	2019	25.68bn	(PWC, 2019b)	
15	Bank Saderat Iran	2019	-	N/A	
16	BNP Paribas	2019	2.62tril	(BNP Paribas, 2019)	

Table 1: Banks in the State of Qatar

2.5.2 Qatar Banks procedures to mitigate the pandemic spread

Qatar's very high personnel internet usage played an essential role in the social evolution towards online society. The number of internet users increased rapidly in the last two decades and became one of the highest users in the world. At the beginning of 2020, the internet users in Qatar, 2.83 million, showed a rise of 1.8% users compared to

the same period in 2019. Additionally, the overall internet penetration rate reached 99% of a total population of 2.86 million (88% aged 13 and above, 84% 18 and above and 84% for the population aged 16 to 64), with internet speed more than 70 Mbps increased about 33% from 2019 (Kemp, 2020). In order to understand how the pandemic affected the banking sector in Qatar, three of Qatar's well-known banks were investigated during the pandemic, namely Qatar National Bank, Qatar Islamic Bank and Commercial Bank of Qatar.

2.5.2.1 Qatar National Bank-QNB

QNB is the largest bank in the region and one of the top 10 banks in Qatar with more than 29,000 employees in 31 countries, in addition, ATM networks for more than 4,200 machines. In order to minimize the risk of spreading the diseases, QNB has launched a campaign to provide online services to minimize the need for the original paperwork or personal appearance in banks without physical interaction, and the documents can be uploaded electronically.

QNB placed the top priority for its customer's safety, and the personal contact avoidance and security concern is also considered. QNB started new services and channels with easy access to their services. For example, QNB WhatsApp Banking was activated to help customers with the services and products and live chat support. Another example of how QNB cares about their customers' safety and security during the unpleasant period, new contactless secured cards were issued through one-time passwords (PIN-less capability) for e-commerce transactions and through a (Tap and Pay) for transactions up to QAR 300. In May 2020 "Stay Safe" campaign was launched to encourage QNB customers to use contactless credit cards and PIN-less transactions by increasing rewards points 50% per transaction until the end of May 2020. Moreover, a new exclusive cross-border service has been added to the package offerings in Turkey, Egypt, Jordan, Lebanon, Kuwait, Oman, the UK, and France. For example, Tunisian clients can open accounts in their home country with Qatar's QNB branch in Tunisia. Furthermore, Cross-border solutions enable QNB clients to check their accounts and transfer money between the accounts promptly with ease to use the Mobile Banking Platform.

Moreover, QNB encourages customers to take loans by announcing a loan promotion period on which customers can avail a loan and then be enrolled monthly draws for a prize of 50,000 QR. The customers can also benefit from the promotion period by obtaining a credit card and get zero interest purchases for 90 days. In another effort from QNB to inspire its customers to make contactless transactions, they give opportunities to MasterCard holders to enrol in daily draws for valuable prizes based on the number of daily transactions (QNB, 2020).

2.5.2.2 Qatar Islamic Bank-QIB

QIB is one of the top banks in the state with more than 180 ATMs, out of which 40 include Cash & Cheque Deposit capability, placed across Qatar strategically. QIB has implemented the COVID-19 National Response Guarantees Program to reduce the impact on the private sector, according to the Emiri decree that supported the economic and the financial sector. Qatar's government allocated 3 billion QAR to local banks to reduce the struggle of the local business with short-term payments (i.e. salaries, rentals) from April 2020 to June 2020. QIB took the initiative to encourage its customers to use its mobile application and internet banking platform, for corporate and personal, to avoid physical contact and minimize the risk of the Covid-19 disease. Many services are provided for customers with more than 90 features. The new banking services are available 24/7 to serve the customers' daily needs. The QIB's mobile APP and internet banking made life easier for customers, such as money transfers either locally or internationally, paying utility bills, increasing credit card limit temporarily, opening and managing the account.

Moreover, to reduce the customers' need to visit the branches, an interactive ATM (live teller) is provided to conduct the customers' daily transactions with video/ audio options. QIB and western union partnership give the QIB's customers the ability to send money worldwide to any beneficiary easily and fast through the QIB mobile App. Moreover, the QIB mobile app allows its customers to update their Qatar Identification Card (QID) or passport information and retrieve their username to access the app. By using reward points "ABSHER", customers can pay their Ooredoo, Vodafone

(Telecommunication) and Kahramaa (Electricity and Water) bills and easily access Western Union services. QIB supports new contactless cards to allow the customers to shop safely and securely up to 300 QR (Tap and Pay). In addition, the QIB corporate App – the first application of this kind in Qatar - was launched in July 2020 to simplify and increase the efficiency of corporate transactions. It provides 24/7 access to review and approve corporate transactions inside/outside the state of Qatar. A unique certificate of deposit was offered to the frontline defenders against Covid-19 – medical and police workforces – with an exclusive return as a "thank you" message from the society (QIB, 2020).

2.5.2.3 Commercial Bank of Qatar-CBQ

CBQ was established in 1975 as the first private bank in the state. The bank launched the first smart digital solution for its customers (CB household worker PayCard) (Driver, Maid salary transferred, and Cook home remittance sent) within 60 seconds remittance solution. This service was offered after the new online service (CB SMART Payroll) for company workers' salary and remittance and digital access can be done with few simple steps. (CB Pay for Merchants) it is the first digital product of its kind in Qatar's market, which enables its customers by using their mobile app to pay for services and products and track the payments from home with a simple two options. The first option allows merchants to receive payments by entering the customers' mobile number along with item description, SMS, or notification will be received by the customers to guide them to open their (CB Mobile APP) to confirm their request and release the payment. The second option enables merchants to create a QR code, allowing customers to pay for their purchased items by scanning the code using the CB mobile App, instead of cash on delivery. Moreover, Commercial bank has offered new customers a convenient and easy way to benefit from comprehensive digital services. For example, a simple new account opening service (CB Instant account) using the bank's mobile app "CBQ Mobile", which provides the required information electronically without the need for any physical presence (CBQ, 2020).

2.6.1 Customer Relationship Management (CRM) system and process

CRM is a strategy created to achieve mutual benefits for both the customers and the organization through an IT application to enhance profitability, customer acquisition, and retention. It is also an information-intensive process that links IT and marketing strategy provided to the corporates to increase profit and establish customers' long-term relationships. Moreover, CRM is a virtual drive for organizations that distinguishes whether the customers are profitable or not and provides customized services that would increase customer retention (Santouridis & Tsachtani, 2015). Customer relationship management (CRM) is combined method used by organizations to acquire and retain customers through multiple channels. Customer interaction with these channels give organizations a better understanding of customers and managing communications to fulfil customers' needs (Jha, P. 2013). All activities related to customer relationship quality and duration are a part of the CRM processes, which could be associated with the customer life-cycle stages, which can be defined as; (acquisition, expansion, retention, and recovery). The customer life-cycle stages are the steps the customer takes when considering, purchasing, and using the product or service. These stages are a part of the business process which a company uses as the customers go through the customer life cycle. The CRM processes are linked to the customer life-cycle concept since they are defined as "the activities performed by the organization concerning the management of the customer relationship, grouped according to a longitudinal view of the relationship" (Santouridis & Tsachtani, 2015).

2.6.2 Customer Satisfaction

Customer satisfaction is mainly defined as the customers' judgment on business capability on meeting expectations. Hence, satisfaction occurred when the business met the expectations, and dissatisfaction if the business could not meet the customers' expectations (Simpson, 2006). Moreover, Customer satisfaction is based on the customer's attitude toward the firm and experiences with the product or services provided. Understanding customer perception can lead companies to determine the customer

needs and satisfy them. Instantly, the quality of services and the products provided by the firm ensure customer satisfaction (Wibowo, 2015).

Recently, customers' perception of the quality of the services and products provided has changed from the past. Moreover, the customer perceptions are increasing, which encourages and motivates organizations to maintain the quality of services provided and improve it over time to gain competitive advantage and long-run success. Service quality is considered a prime indicator of customer satisfaction and significantly influences banks' success and survival. Many factors affect customer satisfaction. E-Banking services dimensions: Assurance, empathy, reliability, tangibles and responsiveness have a positive effect on customer satisfaction, according to a study on Arab Bank customers in Amman city in Jordan (Sleimi, Karam, & Qubbaj, 2018). As a result of banking industry improvement, E-banking roles reliability contributed to the enhancement of customer satisfaction. In other words, for any business to be successful, sustainable and profitable, they have to gain customer satisfaction (Al-Sulaiti et al., 2005).

Many studies have been conducted to understand the relationship between customers' satisfaction and banking services. A study was conducted in Bangladesh on different retail banking customers to understand the correlation in retail banking between tangibles, reliability, responsiveness, empathy and assurance with customer satisfaction, and customer satisfaction with customer loyalty. The result shows a positive correlation between all variables (Siddiqi, 2011). (Shanka, 2012), (Gyawali and Kunwar, 2014) and (Subedi, 2019) studied the relationship between responsiveness, assurance, reliability and tangibility on customer satisfaction, and they found a positive effect on customer satisfaction in the banking sector.

Another study was conducted in Lebanon to examine the relationship between E-banking services quality; (efficiency, reliability, privacy and security, and responsiveness and communication) as independent variables and customer satisfaction as the dependent variable. A survey was completed by the Lebanese banks' customers and was posted online on Google survey form and shared on social media in order to increase the number of participants, which eventually became 258 samples (50.8% female and 49.2% male, 32.2% less than 25-year-old, 47.7% between 25 & 35 year-old and 20% more35-year-old), the study showed that the E-banking service quality: efficiency, reliability,

privacy and security, and responsiveness and communication have a significant impact on the satisfaction of banks' customers in Lebanon, especially the reliability, which is the highest dimension among the others that impact the customer satisfaction (Hammoud, Bizri, & El Baba, 2018).

In addition, a questionnaire was provided to 235 participants walk-in customers and employees in different banks in Qatar. The study shows that the customer satisfaction prime indicator is the quality of E-banking services, which plays a vital role in retaining customers and holding long-term relationships with them. Furthermore, customer satisfaction is positively affected by efficiency, reliability, security, privacy, responsiveness and communications, which are all considered as an aspect of E-banking Service quality, which means that the increase of these services quality will increase customer satisfaction (Al-Sulaiti et al., 2005). Moreover, another study conducted in Solo, Central Java, on 100 respondents collected by questionnaire between male and female, proved that customer satisfaction is affected by services quality and services features in Solo's Banks customers. As the customers typically prefer the variety in services and products, banks, in order to satisfy customers and retain them, banks need to give more attention to the services and products provided (Wibowo, 2015).

2.6.3 Customer acquisition

Since customers are the core contributors and acquiring them is one of the most critical factors for any successful business, it is a challenging goal to be achieved because of the continued and changeable customer expectations of business added value services. Gaining new and more profitable potential customers by understanding the customers' needs to be fulfilled is known as customer acquisition. Additionally, there is a need for organizations to develop and improve their strategies in order to find potential customers for their products. Moreover, it is the effort to convert ordinary customers to profitable customers. To allow for customer acquisition achievement, organizations started to improve their performance by developing CRM systems. The CRM system has a significant role in identifying customers' needs by gathering and analyzing the

customers' information to build long-term relationships to achieve customer satisfaction. Competitive advantage is enhanced by acquiring new customers to the existing loyal customers. In this regard, organizations realized the importance of understanding and cooperating with customers to cope with the dynamic business environment (Alhawari, 2012).

A study conducted on four Jordanian banks, with a questionnaire of 200 respondents -79.5% male and 20.5% female – confirmed that customer acquisition is affected positively by the following factors: customer relation, attraction, knowledge and the analysis of customer data. Moreover, for banks to deliver their values and increase customer acquisition, they must concentrate more on main processes (Alhawari, 2012). Another study conducted by Buell and Choi in Harvard, which collaborated with the Commonwealth Bank of Australia (CBA), examined the relationship between customer acquisition and banks transparency. A field experiment was conducted on 466,322 customers who wish to obtain new credit cards in the bank. The study proved that banks' transparency with their customers is beneficial for long-term relationships and acquiring loyal customers. This result contradicted the favoured marketing strategy of highlighting the advantages of the offer while downplaying the tradeoffs. Among all customers treated with transparency, a 9.9% increase in monthly spending and a 20.5% decrease in cancellation rate was observed after nine months. Furthermore, among the bank's experienced customers, a 19.2% increase in monthly spending and a 33.7% decrease in cancellation rate was observed after the same period (Buell & Choi, 2019).

Another study was conducted in Gaborone, capital of Botswana, to understand if banking innovativeness is defined as *"the introduction and application of new work processes and technologies with the aim to improve upon existing systems in an organization, which results in commercial benefits"*, could predict customer attraction. The result shows that banking innovation could predict it. Moreover, the research suggests providing more innovative services to customers by the bank because it is considered an important measure to understand whether the customers will be attracted to them or not (Agolla, Makara & Monametsi, 2018).

Another study in Pakistan, designed to determine the factors that affect the customers toward selecting their bank. Factors like convenience, quality of services, price

and cost show a significance by the customers' perceived value. Hence, the management needs to focus on these factors while preparing a marketing strategy. While the other factors like bank appearance, technology and reputation, word of mouth, easy banking process and bank staff, statistically not significant by the customers' perceptions (Zulfiqar, B., Arshad, H. M., Fareed, Z., Shahzad, F., & Hussain, S. 2014)

For retaining and acquiring customers, banks have to earn customers' trust. Digital transformation is a crucial factor in acquiring and retaining customers. This technology leads banks to provide knowledge of customers and target them with customized products and services. Moreover, customer loyalty and organizations' profitability will be enhanced due to reducing the gap between the services provided and the customers' expectations. Banks have new opportunities for attracting new customers through mobile and online channels due to the increased customers' interaction with these new channels that are easy to use, cost-effective, and more time-efficient. The study on Latvia's banks shows that banks can gain customers and increase the loyalty of existing ones by becoming digital institutions (Japparova & Rupeika-Apoga, 2019).

2.6.4 Customer Retention

Acquiring new customers became difficult, and the competition between services sectors increased sharply, leading firms to focus more on customer retention. Customer retention is defined as the propensity of the customer to stay with the services providers and the marketers' activities that lead buyers to repurchase. Moreover, the long-term relationship between the customers and service providers is customer retention (Chopra, 2016). Also, the marketing aim of preventing customers from switching to other competitors and the indication of customer's willingness to repurchase a service or a product more than once are considered definitions of customer retention (Al-Tit, 2015).

The high-quality relationship between the customers and service providers leads to the firm's success, which determines the customer retention level. The key to sustainable competitive advantage is delivering quality services to the customers, which will ensure the service providers survive in the competitive economic world. Instantly, banks need to induce customers to stay with their products and services or otherwise, the competitors can provide them better services and reasons to leave. Nowadays, customer

retention is an essential factor of a company's strategy to cope with the competitive era (Chopra, 2016).

A study conducted by Cambell and Frei to investigate customer retention among other factors and its effect on the customers' adoption of online banking was performed on 100,000 banking channel customers from financial services firms in 2010. The customers' online banking information was drawn from two periods from 2003 and 2006 to study how online banking affected customer retention. The study revealed that online banking had a direct positive relation with customer retention. It also indicates that there is a causal link between customer retention and online banking. The three years retention rate of the online customers (Customers who use online channels) was 79%, while the rate of the offline customers (Customers who do not use online channels) was 71% (Campbell & Frei, 2009).

Online customer retention relies on their experiences using online services. Many factors related to the quality of online services could affect retention positively, such as trust, responsiveness, customer satisfaction of the provided services and ease of using the online channels and websites, as well as the process of payment (Al-Ghraibah, 2020).

A study was conducted in Ghana in 2019 to investigate the relationship between e-banking dimensions and customer retention with the role of gender as a mediating variable. Customer retention was found to have a positive relationship with all e-banking dimensions except personalization, trust, reliability, responsiveness, web design, and convenience. Not all of them have the same influence of gender on the relationship between e-banking and customer retention. Trust, reliability and responsiveness as dimensions have no significant difference in both males and females. In contrast, dimensions like websites are positively important for females' retention only. On the other hand, convenience was significant for men only. Finally, personalization is not moderated by genders. It has no significant effect on retaining both genders due to the bank's security which does not allow customers to modify or customize the e-banking system platform (Mahmoud, 2019).

The relationship between service quality dimensions: (tangibles, reliability, responsiveness, assurance and empathy) and customer retention were examined and found a positive effect on customers' retention, except the reliability and assurance of

quality dimension have no influence (Al-Tit, 2015). Moreover, tangibles, reliability, responsiveness and assurance and empathy, most important factors related to them are modern equipment/software, secrecy and accuracy, efficiency service delivery and feeling safety while transaction respectively, according to a study on Indian banks conducted on 20 items related to customer retention factors (Mahapatra & Kumar, 2017).

The influence of customers' feedback on customer retention was examined in South-Eastern Nigeria's deposit money bank. The study shows that the customers' feedback through a suggestion box, website, telephone/mobile, personal e-mail, social media, one-on-one contact, guest comment cards, and customer/online surveys, have an important influence on the retention and loyalty of customers (Okolo , Ikpo , & Obikeze , 2021). Customers switching to another competitor due to poor quality of services or any other reasons could be reduced by understanding the customer's thoughts, needs and wants, and eventually retaining them for a more extended period.

2.6.5 Customer Penetration

Cross-selling is one of the most effective strategies organizations use to increase profit and retain customers, as it costs less than acquiring new customers. Cross-selling can be defined as the sale of products or services to existing customers in addition to the core products or services. In other words, it is a set of items purchased along with the main product because of the association with the core product or service. Generally, modern banks practice methods to profit from selling other financial services attached to the customers' primary transaction and not only profit from the sale of loans. The cross-selling strategy focuses on customer-based relationships, resulting in profit growth, customer satisfaction, retention, and acquisition. However, as studies recently showed that customer acquisition is less profitable for the firms than customer retention, cross-selling is instantly a more effective tool for customer retention than loyalty programs and other retention programs. An increase of 5% in customer retention rate will increase the profit growth opportunities by 25% to 80%. Another study on the effect of customer retention on the growth over 14 industries shows an increase of up to 95% (Ahmad, 2019).

Moreover, the number of products the customer holds with a single financial provider more likely will increase the retention proneness and increase the money they will invest with this provider. Information technology advancement enabled multi-channel (e-mail, television (iTV), internet and mobile commerce (e-commerce) from generating information, interaction, and communication. Multi-channels as a framework for CRM play an essential role in better understanding customer needs, services and cross-selling opportunities. Businesses are taking advantage of Multi-channels for sales and services (Ahmad, 2019).

Many researchers concluded that the multi-channel strategy increases sales. Moreover, customers who have multi-channels spend 20% more money than single-channel customers. In addition, Triple-channel customers spend more than dual-channel customers, who spend more than single-channel customers. In summary, multi-channel customers spend more, which might be due to higher loyalty and marketing exposure as those receive more marketing contacts (Neslin, Grewal, Leghorn, Shankar, Teerling, Thomas, & Verhoef, 2006).

The spread of digital retailing led banks to fulfil their digital customers' expectations and experiences by increasing and enhancing their various services channels. In this context, the revolutionary development of multi-channel retailing had yielded a new channelling method called Omni-channel retailing. Omni-channel is a combination of sales experience that utilizes the physical stores with the information-rich experience of online shopping. Moreover, it is also the smooth customer experience retailers provide by offering their services from all available channels. Omni-channel leads to sell additional products and services by encouraging cross-selling. Firms can profit from cross-selling by using customers' data from multi-channel to offer customized services and products. From the bank customers' point of view, a cross-buying strategy is related to the value of the provided services. Another study argues that banks will gain higher revenues from customers who are using multiple channels and are more active who will, in return, perceive higher value. Moreover, the relationship between the existing customers and the bank is enhanced and maintained through strategies, such as cross-buying, which can add value and establish long term relationships with the bank. A study conducted on 301 users of 3 multi- channels mobile applications, websites and physical presence to

branches of Commonwealth Bank of Australia (CBA) confirmed that Omni-Channel integration influences cross-buying intention positively (Hossain, Akter, Kattiyapornpong, & Dwivedi, 2020).

2.7 Table 2 Empirical studies

Customer Satisfaction

Variables	Findings	References
Assurance	Have a positive impact on customer satisfaction	(Sleimi, Karam, & Qubbaj, 2018) and (Siddiqi, 2011)
Empathy		
Reliability		
Tangibles		
Responsiveness		
Assurance	Have a positive impact on customer satisfaction	(Shanka, 2012), (Gyawali and Kunwar, 2014) and (Subedi, 2019)
Reliability		
Tangibles		
Responsiveness		
Efficiency	Have a positive impact on customer satisfaction	(Hammoud et al., 2018)
Reliability		
Privacy		
Security		
Responsiveness and communication		
Efficiency	Increase in E-banking services quality increase customers' satisfaction	(Al-Sulaiti et al., 2005)
Reliability		
Security and privacy		
Responsiveness and communications		

Customer Acquisition

Variables	Findings	References	
Customer relation	Have a positive impact on customer acquisition	(Alhawari, 2012)	
Attraction			
Customer knowledge			
Customer data analysis			
Transparent	Banks being Transparent with their customers are beneficial for long-term relationship and acquiring loyal customers	(Buell & Choi, 2019)	
Banking innovations	Could predict customer attraction	(Agolla et al., 2018)	
Convenience	Factors that affect customers selecting their bank	(Zulfiqar et al., 2014)	
Quality of services			
Price and cost			
Easy banking process	Factors that have no effect on customers selecting their bank		
Bank appearance,			
Technology and reputation			
Word of mouth			
Bank staff			
Digital transformation	Banks can attract new customers and increase loyalty of existing ones by becoming digital institutions banks		(Japparova & Rupeika-Apoga, 2019)

Customer Retention

Variables	Findings	References
Trust	Have a positive impact on customers' retention	(Al-Ghraibah, 2020)
Responsiveness		
Customer satisfaction of the provided services		
Ease of use the online channels and website		
The process of payment		
Trust	Have a positive impact on customers' retention	(Mahmoud, 2019)
Reliability		
Responsiveness		
Web design		
Convenience		
Tangibles	Have a positive impact on customers' retention	(Al-Tit, 2015)
Reliability		
Responsiveness		
Assurance		
Empathy		
Customers' feedback	Have important influence on retention and loyalty of customers	(Okolo , Ikpo , & Obikeze , 2021)

CHAPTER III

METHODOLOGY

This chapter includes the design and approach of the research, the method, study group, data collection technique, data analysis, the validity and the reliability and finally, the role of the researcher.

3.1. Design and Approach of the Research

A qualitative research design was used as the research design. Such creation follows the narrative and holistic presentation from the genesis of viewpoints, insights and events, using the method of interview and analysis and qualitative data generation (Yıldırım & Şimşek, 2016).

In this study, semi-structured questions can be used with mutual conversation by using hygiene, distance and mask during periods when the number of pandemic cases is low. The data collection method was used. This technique, as Kuş stated in his publication in 2009, it allows the participant to present their point of view. For this reason, it was tried to gain deep knowledge by trying to understand the feelings and thoughts of the participants (Kuş, 2009).

This thesis aims to reveal the effect of the change in customer expectations on the banking services model during the Covid-19 Pandemic.

3.2 Research Model

Phenomenology, one of the qualitative research design, was used in this study. A case study is intensively studied in relation to a situation or event. Best and Khan (2006) define phenomenology as follows: it is one or comprehensive that explains the current situation, comprehensive and analyzes it. Phenomenology is a research model that is intended to be explained as phenomena that are experienced in daily life and not fully comprehended, and that helps to better these phenomena (Yıldırım and Şimsek, 2016). An effective research model can be expressed in the analysis of audit and phenomenological experiences of auditors in research. Thanks to the phenomenology,

the analysis and information in the maintenance section belong to the services within the scope of the training (Creswell, 2014).

3.3. Study Group

Snowball sampling was used to select the participants in this study. Eleven people were determined as the study group, and these participants were interviewed. Demographic characteristics of the participants that participate in the research are given below.

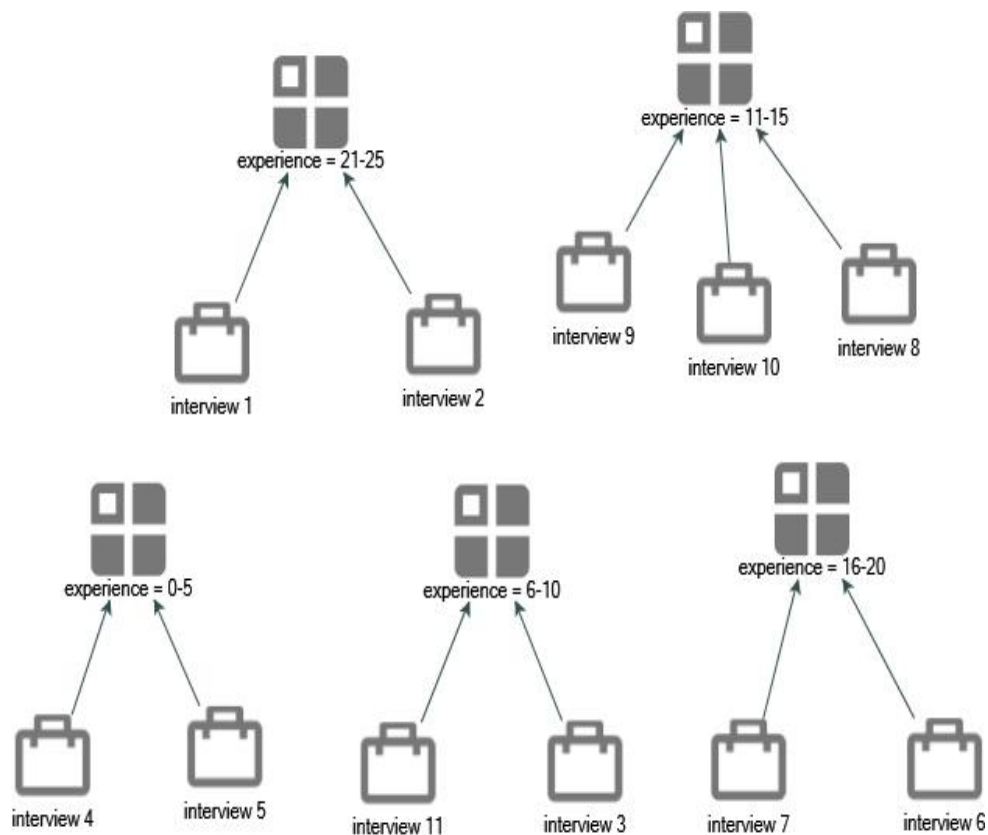


Figure 3. Experience Characteristics of Participants

Table 3. Experience Characteristics of Participants

Experience	n
0-5	2
6-10	2
11-15	3
16-20	2
21-25	2

Table 3 above shows the experience characteristics of participants. 2 of the participants are aged between 0-5, 2 of the participants are aged between 6-10, 3 of the participants are aged between 11-15, 2 of the participants are aged between 16-20 and 2 people are aged between 21-25.

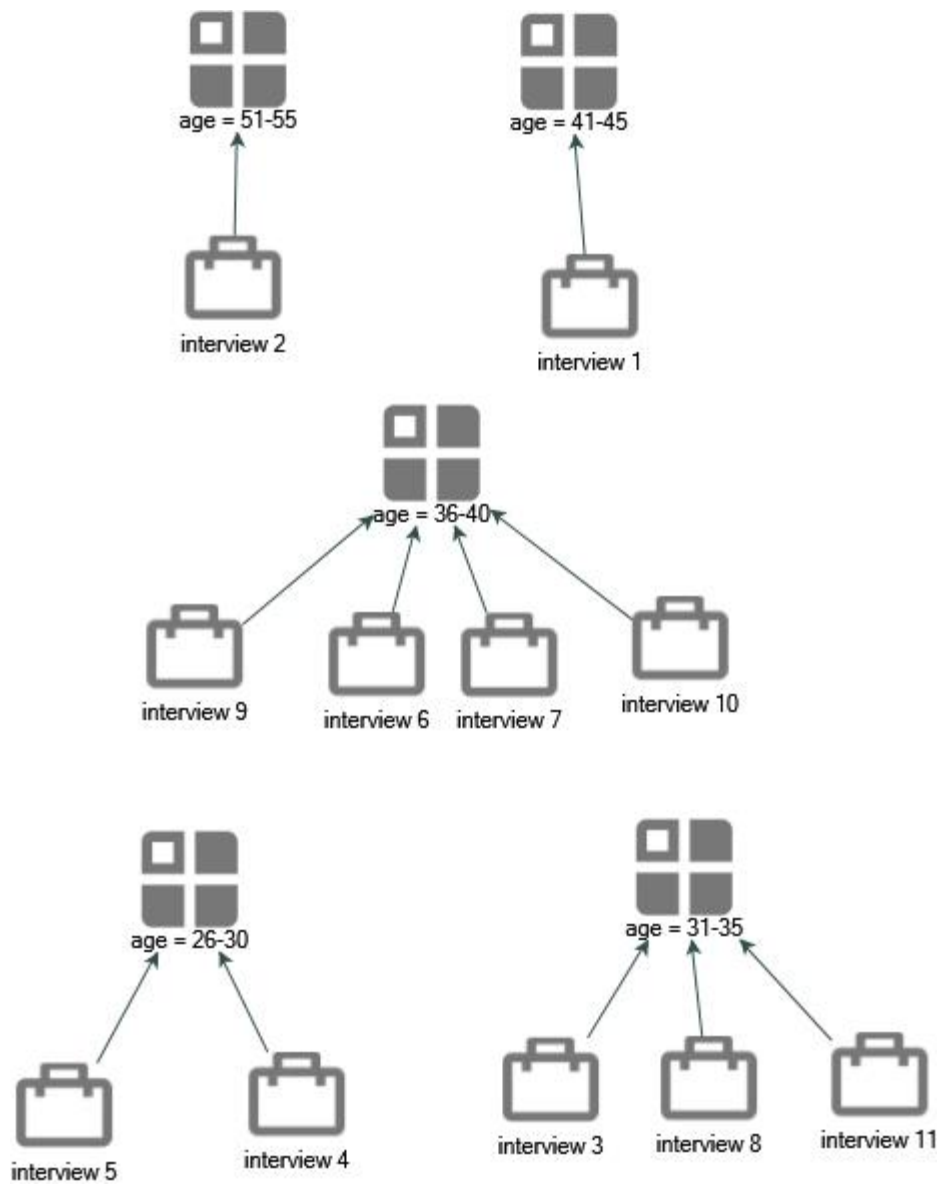


Figure 4. Characteristics of Participants

Table 4. Age Characteristics of Participants

Age	N
26-30	2
31-35	3
36-40	4
41-45	1
51-55	1

Table 4 demonstrates the age characteristics 2 of the participants are aged between 26-30, 3 of the participants are aged between 31-35, 4 of the participants are aged between 36-40, 1 of the participants are aged between 41-45 and 1 people are aged between 51-55.

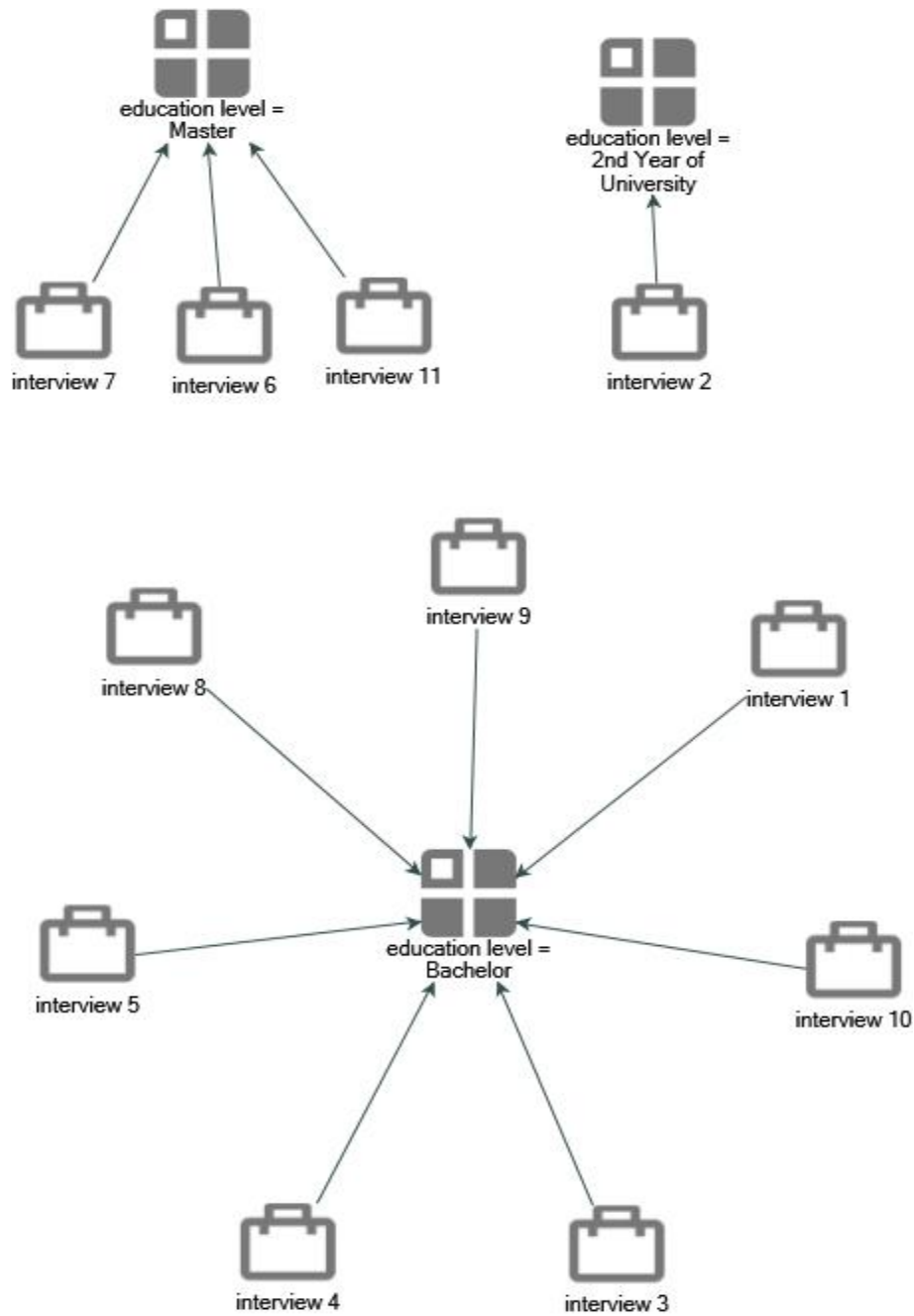


Figure 5. Education Level

Table 5: Education Level

Education Level	N
Masters	3
Bachelor	7
2 nd Year of University	1

In Table 5, it is seen that 3 of the participants Education in the field of Masters, 7 of the participants Education in the field of Bachelor, and 1 people are Education in the field of 2nd Year of University.

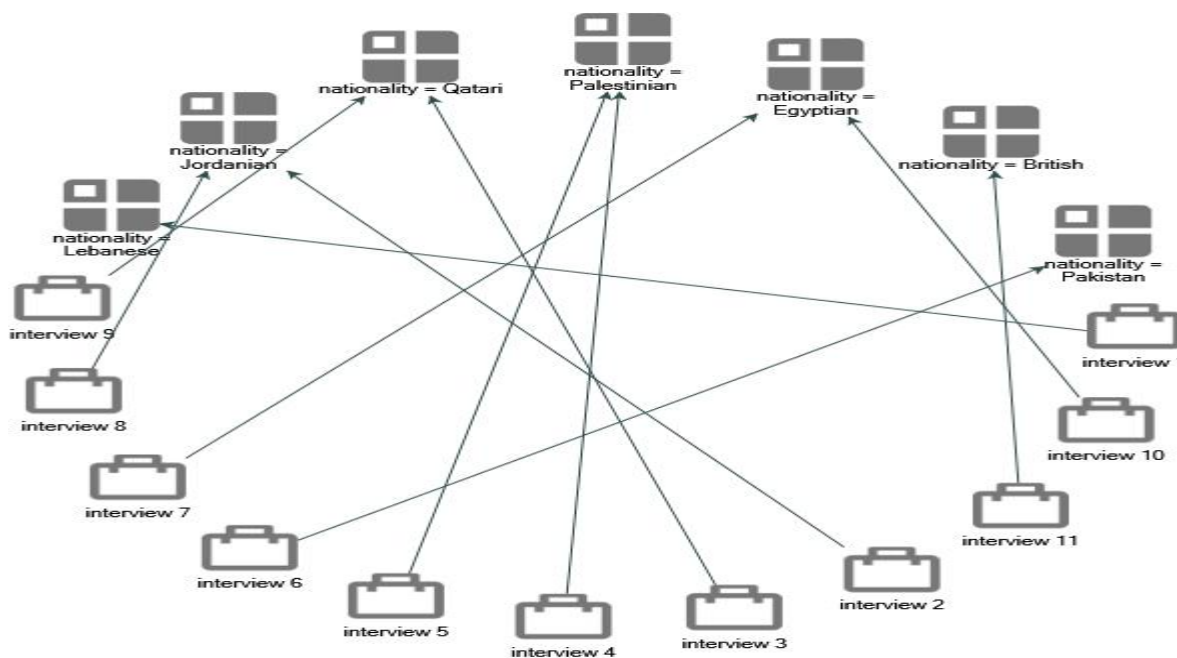


Figure 6. Nationality

Table 6: Nationality

Nationality	n
Lebanese	1
Jordanian	1
Qatari	2
Palestinian	2
Egyptian	2
British	1
Pakistan	1

In Table 6, it is seen that 1 of the participants is Lebanon, 1 of them is from Jordan, 2 of them from Qatar, 2 of them from Palestine, 2 of them is from Egypt, 1 of them is from the UK and 1 of them is from Pakistan.

3.4. Data collection tool and techniques

While creating the questions, the questions were formed by taking the opinions of 3 bankers who are experts in their fields and still working in the sector and two academicians who are experts in the field of marketing at Near East University. The interview, which is a qualitative data collection method, was conducted using a semi-structured interview technique.

A pilot study was conducted to test whether the questions of the semi-structured interview form were understood. A pilot test was applied to 10 participants to determine its reliability and create the questionnaire's final version. After it was determined that the questions were understandable, they were approved by the ethics committee, and the data collection phase was started.

The importance of this study is to investigate how the change in customer expectations during the covid-19 period affects the banking service model. The study will help banks understand and predict customers' behaviour during the crisis and evaluate and improve existing services. In order to achieve this aim, an interview form consisting of open-ended questions and interview questions were developed for the participants.

Interview hours were determined in accordance with the participants. Before starting the application, the participants were informed that the personal and professional information of the participants would be kept confidential and that they would only be used in this research and that the quotations would be coded. For this, each participant was given a code. For example, the interview 1 code represents the first participant. Then, semi-structured questions can be used when the pandemic cases are low by using the hygiene, distance, mask, and the WhatsApp application. Both by using the Google meet program and by giving the semi-structured interview questions to the participants in advance, in cases where the pandemic does not allow, and the participants hesitate to meet face to face has been carried out. Interviews were held between 25 to 45 minutes. In addition, sensitivity was shown to direct the participants while asking questions. The voice recordings of the participants were analyzed and converted into text.

For the validity and reliability of the research, Nvivo R1 was used to calculate the reliability. Some of the data were given to another researcher, an expert in another field, to create themes. The themes created by the researcher and the themes created by the

expert researcher in the other field were compared. Then, the subjects of "consensus" and "disagreement" in the themes created by the researchers were calculated. Since the similarity between the theme groups of both researchers is 100%, the conformability of the themes has been proven. Since a Kappa value above 0,81 similarity value in the literature was obtained, the findings obtained in this study were accepted as reliable.

3.5. Analysis of Data

The following sequence was followed in the analysis of the data;



Figure 7. Qualitative Data Analysis Stages (Öznacar, 2021)

Data analysis was done simultaneously with data collection. The first step is to explore the data. In this way, it covers the processes of creating a general meaning from

the collected data, taking short notes, organizing the data and determining whether there is a need to collect more data. Then, the data is passed to their coding. The following procedure was followed in the coding of the data.



Figure 8. Accessing Encodings from Data (Öznacar, 2021)

During the categorical grouping and coding of the data, the Nvivo R1 qualitative data analysis program, one of the computer-aided qualitative data analysis programs, was used. In the Nvivo R1 program, the contents could be coded, complex information was organized, and the whole of the data was mastered. Nvivo R1 qualitative data analysis program, one of the computer-aided qualitative data analysis programs, allowed to recall the codes and then reanalyze quickly. With the Nvivo R1, it has made it very easy to find common expressions among the answers. The obtained data were digitized with the help of the program and interpreted in this way.

3.6. Validity and Reliability

In qualitative research, validity and reliability are defined as the accuracy of research results and the objective interpretation of the researched phenomenon by the researcher (Yıldırım & Şimşek, 2008).

While conducting the validity study of the data analysis, one-to-one quotations were made from the managers' opinions. For the research' internal validity, critically looking at the data and checking the accuracy of the result, the raw data and analyzes were reviewed by the researcher and another expert in the field of denim, and feedback was obtained. The quotations' external validity was ensured by the fact that they were included as stated by the participants.

Internal reliability is consistency; It has been ensured that the bases in the data collection are the same, the consistency of the data is not compromised while coding the data, and the relationship between the data and the results is established. External reliability, that is, conformability; In addition to the researcher, another researcher, who is an expert in the audit field, compared and confirmed the judgments, comments and suggestions reached in the research with the raw data.

In order to ensure the reliability of the coding made by the researcher himself, with the help of the “Explore/Queries/coding comparison” in the NVivo R1 program, a second coder carried out the transfer processes to the categories, subcategories and codes created by the researcher. With the help of the “Coding Comparison Query” available in the NVivo R1 program, the percentage of agreement between the researcher and the coder and Cohen’s Kappa coefficient was also calculated. In Table 7 below, the percentage of agreement of the participants in interview 2, interview 6, interview 7 and interview 9 and Cohen’s Kappa coefficient were calculated using the code “What do you think about the effect of Covid19 on the banking industry in general?”

Table 7. Percent of Agreement and Cohen's Kappa coefficient

Code	File	Kappa	Agreement (%)	Disagreement (%)
1. What do you think about the effect of Covid19 on banking industry in general?	interview 2	1	100	0
	interview 6	1	100	0
	interview 7	1	100	0
	interview 9	1	100	0

Viera and Garrett (2005) presented the following ranges to interpret the Kappa (concordance) values obtained in the studies: 0.0-0.20 insignificant agreement, 0.21-0.40 below moderate agreement, 0.41-0.60 moderate agreement. Level of agreement, 0.61-0.80 good agreement, 0.81-1.00 very good agreement. In the interviews conducted in the research, the percentage of agreement between the coders was found to be 100, and the Kappa coefficient was 1. According to Dawson, Saunders, and Trap (1994), since Kappa values of 0.81 and above are indicated as very good, reliability in terms of data analysis

is provided. Models are included to visualize the links between categories, sub-categories and codes, respectively, created by the researcher himself. According to Kuş (2009), Nvivo R1 reported that model preparation was important in qualitative analysis program research.

3.7. Role of the Researcher

The reason behind writing a thesis in this field stems from both personal and professional thinking. It took years of experience from university years to be able to gain the confidence to conduct this research in addition to all the research done and the scientific publications read, alongside the observations and interviews on how this issue can be improved in the banking system in this country. It helped gain information about all the subject stakeholders, therefore affecting the level of comfort working on this subject for this thesis. It also helped shed light on the interpretation of the research results in this study. In order to minimize any personal bias regarding the study results, a pilot study was conducted, and the necessary checks were made by getting supervisor feedback at every stage of the research. This practice was used throughout the entire process, during and after the interviews, to increase reliability, validity and transferability. During each interview, the participant's supervisor and field experts reviewed the transcript content for accuracy after translating the recorded interviews with additional restated and summarized information. The details presented by the participants led to the development of themes from themes.

CHAPTER IV

FINDINGS

In this part of the study, the findings and evaluations regarding the findings are included.

4.1. Findings Related to Socio-Demographic Characteristics

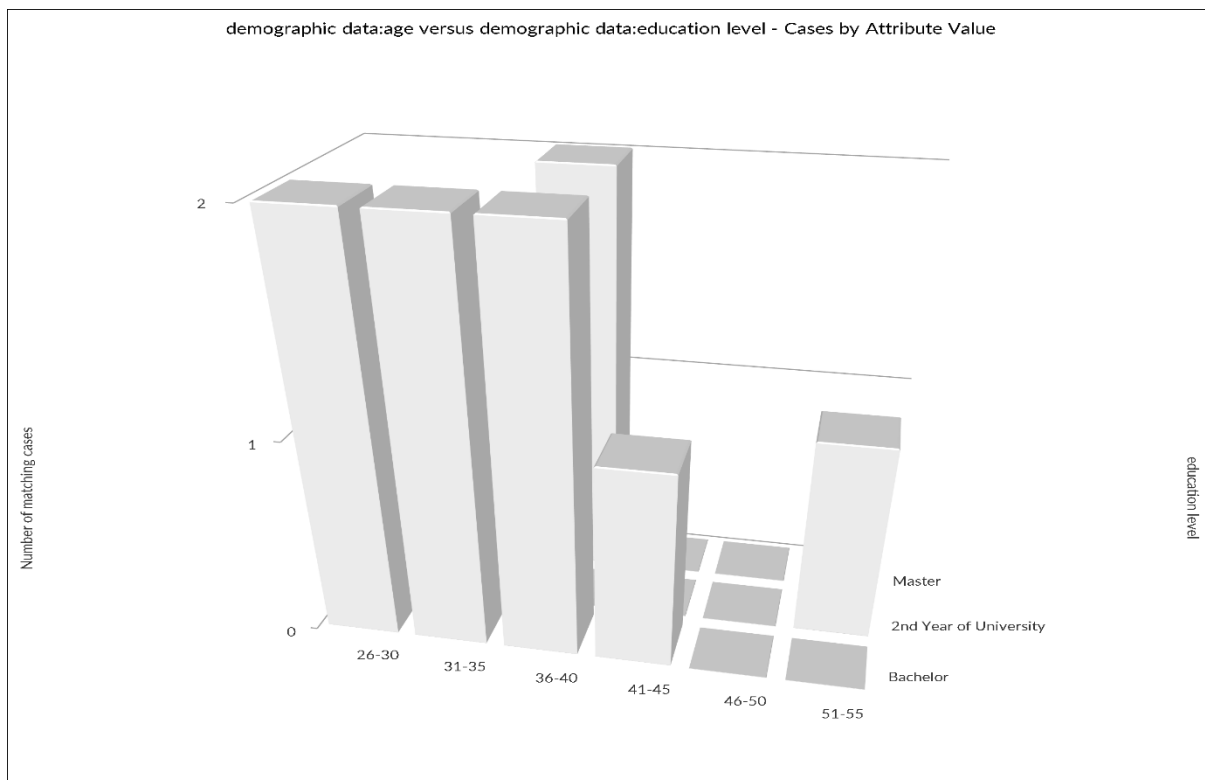


Figure 9. Comparison of Age and Education Level

Figure 9 shows that most of the participants in the research have bachelor and master education and are between the ages of 30 and 40. It can be said that the participants are young and educated.

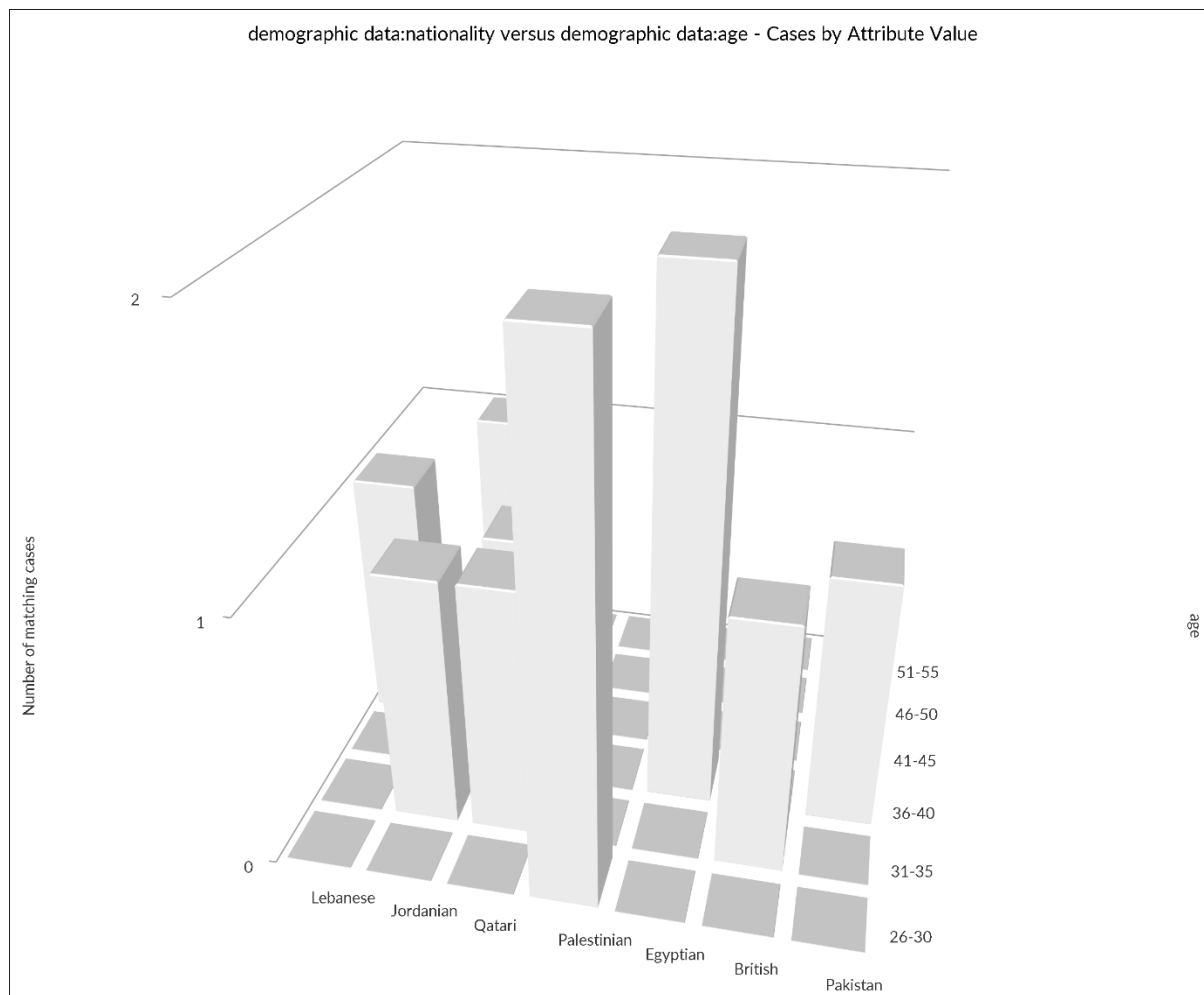


Figure 10. Comparison of Age and Nationality

It can be said that there are employees from 7 different countries working in the banking sector in Qatar, and that there are employees of all age groups, with the age range being between 31-40 years old, and how well-planned the personnel policies are in terms of age range.

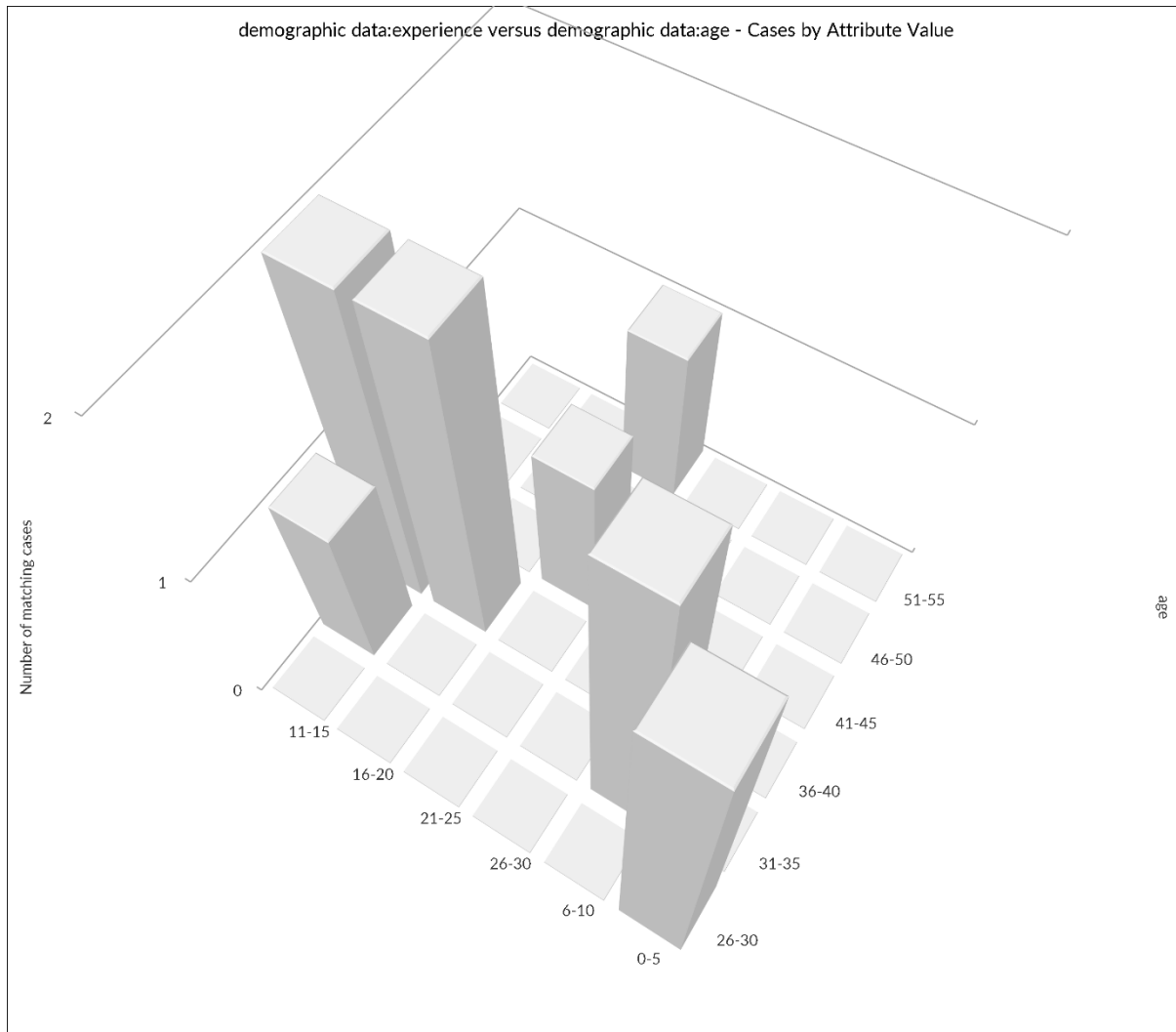


Figure 11 Comparison of Age and Experience

As seen in Figure 11, experience and age comparison, it can be said that the bank employees did not change jobs after they started working, and they continued in the bank they entered. In addition, it is understood from the demographic data that the bank employees with less experience but high age work in the bank at a higher level.



Figure 12. Comparison of Nationality and Education Level

As seen in Figure 12, master-level education consists of Pakistani, British and Egyptian employees, and bachelor-level education consists of citizens of other countries. According to this, it can be said that the level of education in the banking sector is important.

4.2. Model in Qualitative Research

4.2.1. Interview response

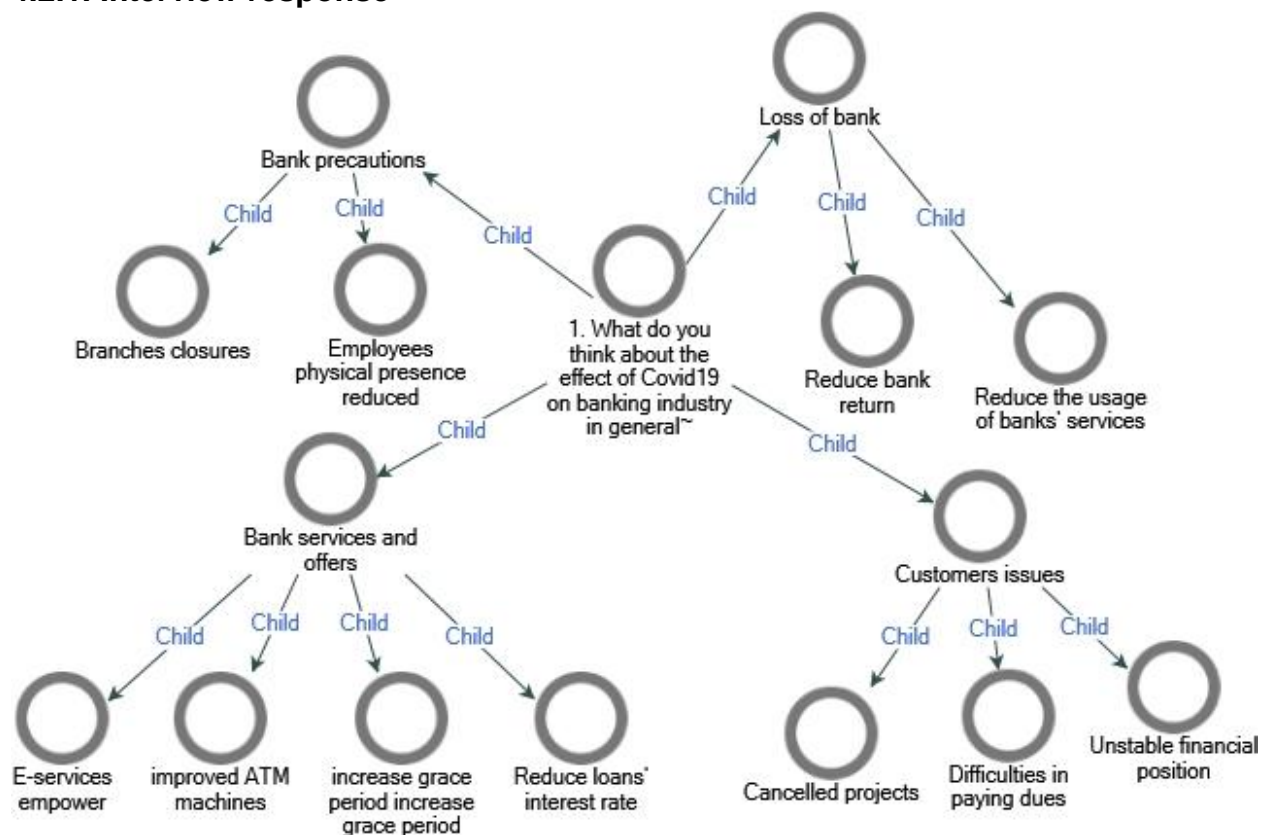


Figure 13. What do you think about the effect of Covid19 on banking industry in general?

Table 8. What do you think about the effect of Covid19 on banking industry in general?

THEMES	Number of opinions stated
Customers issues- Cancelled projects (3)/Unstable financial position (6)/ Difficulties in paying dues (4)	13
Bank precautions- Employees physical presence reduced (7)/ Branches closures (1)	8
Loss of bank- Reduce the usage of banks' services (4)/Reduce bank return(1)	5
Bank services and offers- E-services empower(5)/ improved ATM machines (1)/increase grace period (4)/Reduce loans' interest rate (3)	13

Table 8 above demonstrates the answers given for the question **‘What do you think about the effect of Covid19 on banking industry in general?’** Customer issues: Cancelled projects, unstable financial position and difficulties in paying dues; Bank precautions: Employees physical presence reduced and branches closures; Loss of bank: Reduce the usage of banks’ services and reduce bank return; Bank services: E-services empower, improved ATM machines, increase grace period and reduce loans’ interest rate were the answers given by participants in general. As it is shown on table 8, most of the participants chose bank services and offers and customers issues.

The opinions of the participants regarding the research question are given below.

“Covid-19 had a negative impact on the global economy in general and the banking sector in particular. There is no doubt that the banking industry got affected by the new government regulations such as reducing the number of the working employees to 30% only and have the remaining employees work remotely.” interviewer 1

“Covid19 affected banks a lot in terms of business and service, as a lot of branches had to be closed, we switched from normal services to E-services, which took time and we along with our customers faced challenges. However, now almost everything is running smoothly and better than before in terms of business. During the pandemic, a lot of people lost their jobs, so we giving finance loans (Islamic ones) based on the salary. Most of the finances are based on the salary. From corporate concern, there were also a lot of canceled projects. The pandemic is a world disaster, and the economy crisis happened already because of the covid19, so it is definite that a lot of changes happened.” interviewer 10

“Slowdown in economy due to lock down, as businesses closed and therefore banking was affected due to the reduction in lending and deposits and other products.” interviewer 11

“The numbers of employees were reduced in the branch which affected the services provided for customers during the first stages of the pandemic, because according the regulations we have to stick with 30% of working power in the bank. However, the bank

has taken additional steps for the customers by opening the opportunity of using mobile application which provides same services provided by the bank.” interviewer 2

“Covid19 resulted in having to start using the alternative channels such as E-banking, mobile banking as well as aim to improve our ATM machines. It made us direct our customers towards online banking. Most of the banks improved their online applications and services in which bank statements and salary certificates are now issued online in order to avoid direct touch.” interviewer 3

“In general, all the banks affected because of the pandemic as a result of the effect it took on all of the country businesses. Many of our customers lost their jobs or were afraid of losing it, which was reflected on the banking industry, as we are currently facing difficulties in paying dues.” interviewer 4

“Surely, the banking industry got affected due to the Covid19 situation. The loses followed companies all over the world for months and various companies were unable to pay their loans, rent and employee salaries because of the stopped income. As a result, banks had to put these accounts on hold, caused more issues to the companies.” interviewer 5

“The pandemic indeed had a negative impact, as customers struggled with paying dues on time. The bank is trying to help by allowing more time for payments, which is reducing the bank’s income.” interviewer 7

“All industries got effected by the pandemic as many employees lost their jobs or got terminated from it or their business closed, banking industry got affected by those factors as customers could not pay their dues. Banks in general tried to support those customers by either reducing their loan interest or by giving a grace period.” interviewer 8

“The pandemic had a negative impact on the industry, which affected people by holding their money to keep safe, as they were insecure about jobs. In addition to that, our liquidity was high which affected lending.” interviewer 9

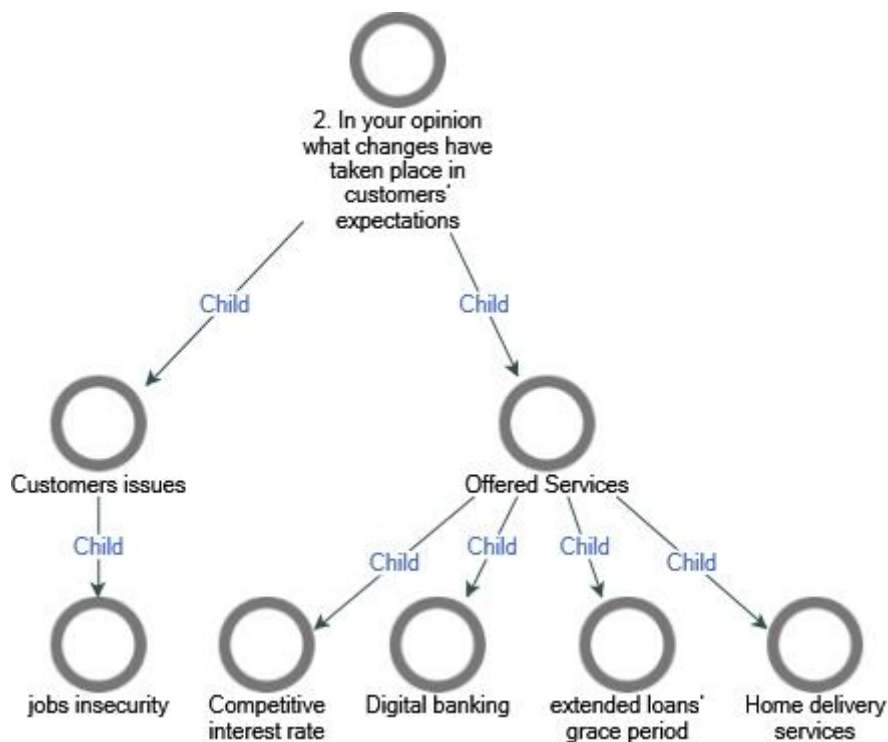


Figure 14. In your opinion what changes have taken place in customers' expectations?

Table 9. In your opinion what changes have taken place in customers' expectations?

THEMES	Number of opinions stated
Offered Services- Digital banking (13)/ extended loans' grace period (1)/ Home delivery services (2)/ Competitive interest rate (1)	17
Customers issues- jobs insecurity (7)	7

Table 9 above demonstrates the answers given for the question “**In your opinion what changes have taken place in customers' expectations?**” offered services: digital banking, extended loans' grace period, home delivery services and competitive interest rate; customers issues: jobs insecurity were the answers given by the participants. As it is shown on table 9, most of the participants said offered services.

The opinions of the participants regarding the research question are given below.

“The pandemic also had an impact on customers, as they were directed to digitally handle all their transactions, and there was no need for them to physically come to the bank, and especially since almost everything can now be done through our online application.”

interviewer 1

“There was a noticeable decrease in spending due to people’s insecurity about their job status and the future financial and economic impact.” interviewer 11

“At the beginning there were refusal from customers to shift online services especially the elderly of our customers, as they were trying to enter the branch by force. All customers were guided to use online services and many transactions were stopped in branches to encourage customers towards online banking. Our bank customers who have an account can get IBAN certificates and transfer money outside the country for amounts less than 50k QAR and deposits less than 50k QAR.” interviewer 3

“The banks started using alternative channels, and we started relying on internet banking or mobile banking and other services that fulfill our customers’ needs without the need of them coming to the branch physically.” interviewer 4

“Many of our customers had to shut down their companies to avoid more losses. Our bank put efforts into trying to help our customers through low rate loans in order to revive their businesses; we also extended the grace period.” interviewer 5

“Customers are now expecting banking on their fingertips with least interaction with humans. For example if a customer earlier used to visit a branch to submit a dispute on credit cards now want to have this resolved remotely. The same applies to any other banking services. The pandemic has led change in thinking of customers, who are now more prone to use technology rather conventionally visiting the branches for any banking services.” interviewer 6

“Customers faced liquidity shortage, as well as customers’ business got shut down. This resulted in delayed in projects, affecting the employees and causing a cash flow issue.” interviewer 7

“Retail banking loans were affected, as there was a slowdown and case by case basis due to job insecurity and risks.” interviewer 9

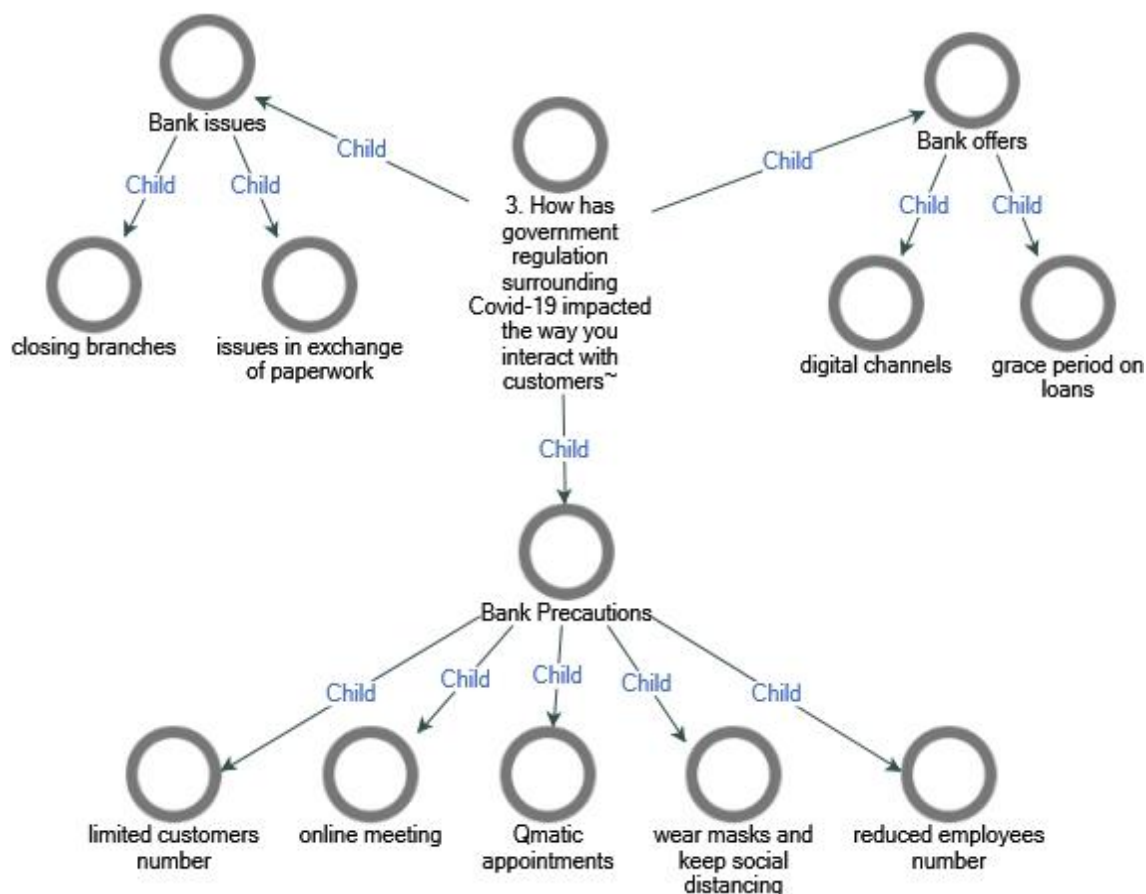


Figure 15. How has government regulation surrounding Covid-19 impacted the way you interact with customers?

Table 10. How has government regulation surrounding Covid-19 impacted the way you interact with customers?

THEMES	Number of opinions stated
Bank Precautions- limited customers number(7)/ reduced employees number (3)/ wear masks and keep social distancing (6)/ online meeting (1)/ Qmatic appointments(1)	18
Bank offers- digital channels (2)/ grace period on loans(1)	3
Bank issues- closing branches(1)/ issues in exchange of paperwork(1)	2

Table 10 above demonstrates the answers given for the question **“How has government regulation surrounding Covid-19 impacted the way you interact with customers?”**

Bank precautions: Limited customers number, reduced employees number, wear masks and keep social distancing, online meeting and Qmatic appointment; Bank offers: Digital channels and grace period on loans; Bank issues: Closing branches and issues in exchange of paperwork were the answers given by the participants. As it is shown on table 10, most of the participants answered bank precautions.

The opinions of the participants regarding the research question are given below.

“The orientation of the government was to always adhere the social distance and take strict precautions in order to reduce the chances of anyone get infected by the virus.”

interviewer 1

“Firstly, it affected retail- as branches started closing and only a limited number of customers were allowed to enter the branch. Secondly, working from home meant that there were no face-to-face meetings with customers and that caused issues regarding exchange of paper work such as transfers letters and agreements.” interviewer 11

“The government regulations saved the employees and customers as well, in which the application (Ehtiraz), an application that shows the status of the holder related to covid-19, shows whether the customer is affected or not by the disease and accordingly the bank security will allow him to enter or not. In addition, social distance and customers presence reduction to 10% in order to give best service and safety to the customers. And in order to encourage the customers to use the mobile application, bank stopped providing any of the services, at the bank, that can be done on the application.” interviewer

2

“At the beginning of the pandemic, it was hard to convince customers to keep social distancing and lessen their interactions with our employees. Also, some customers were coming without a mask. In order to abide by the capacity law, we also had to issue them numbers and keep them waiting outside the branch with numbers to regulate their turns.”

interviewer 3

“The difficulty of customers to enter the branch or the restrictions by the government that allows a limited capacity within the premises of the branch. Additionally, the number of employees was reduced to abide by the precaution procedures, which gave us a difficult time and pressure. We also enforced the policies such as the requirement to wear masks and keep social distancing.” interviewer **4**

“The government made very strict rules in order to avoid the spread of Covid19. For example, we were only allowed to serve a limited number of customers each day, evidently causing issues for customer with urgent requests.” interviewer **5**

“Social distancing and limiting number of customers in a branch did have an impact on business. With new rules, scenarios where we must have to meet a customers such as for signatures or KYC, are being fulfilled using digital channels or with Qmatic based appointments. This was a challenge for all banks at start but for those like XYZ Bank, which have invested in technology finding solution for customer needs was easy and quick process.” interviewer **6**

“A major impact is that there were no direct meetings with customers allowed, causing a delay in banking documents processing since the customers couldn’t provide.” interviewer **7**

“We had to add a grace periods on loans.” interviewer **8**

“There were government regulations with people traveling and not being able to get back to work, which as a bank we consider as a risk. Therefore, they couldn’t use any of their cards, cheques nor get any new loans. These regulations changed and still change every month and we are left constantly uncertain.” interviewer **9**

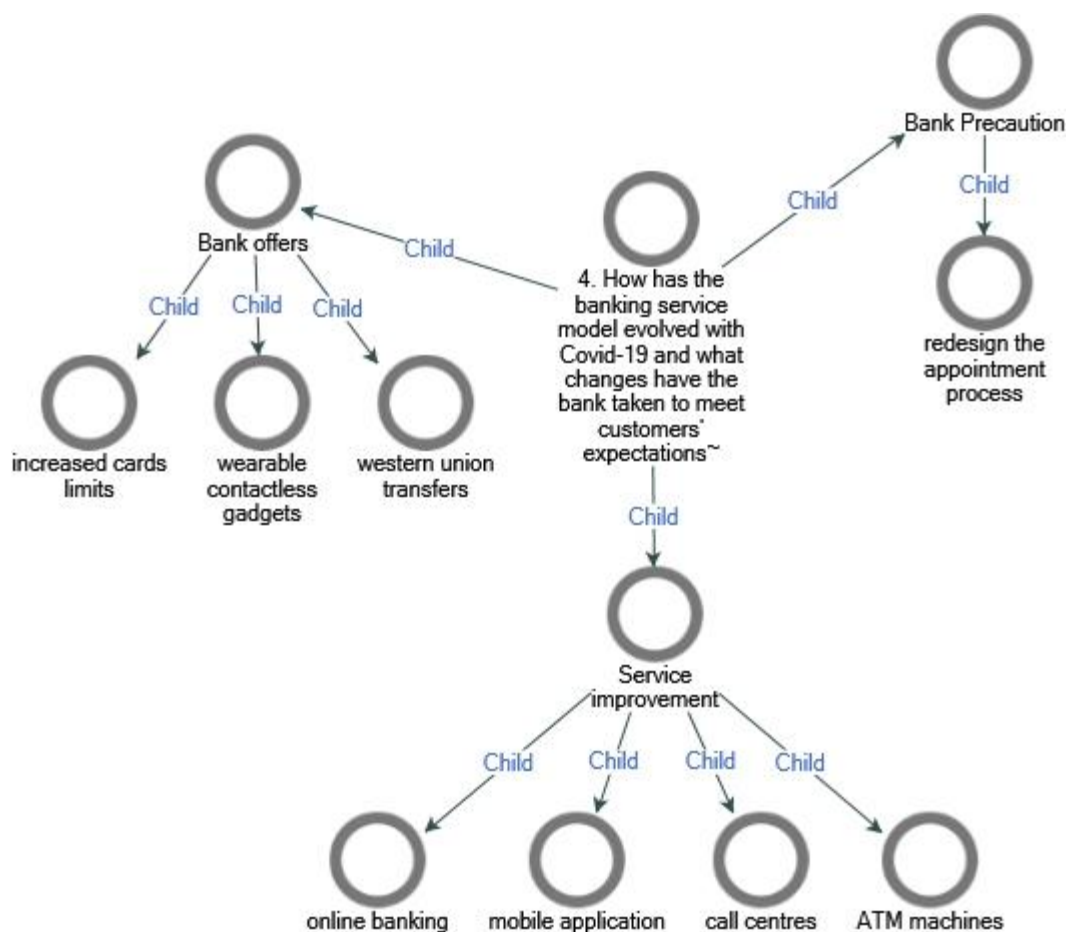


Figure 16. How has the banking service model evolved with Covid-19 and what changes have the bank taken to meet customers' expectations?

Table 11. How has the banking service model evolved with Covid-19 and what changes have the bank taken to meet customers' expectations?

THEMES	Number of opinions stated
Service improvement- online banking(11)/ mobile application(4)/ call centres(2)/ ATM machines (1)	18
Bank offers- wearable contactless gadgets(1)/ increased cards limits(1)/ western union transfers (2)	4
Bank Precaution- redesign the appointment process	1

Table 11 above demonstrates the answers given for the question “**How has the banking**

service model evolved with Covid-19 and what changes have the bank taken to meet customers' expectations?" Service improvement: Online banking, mobile application, call centres and ATM machines; Bank offers: Wearable contactless gadgets, increased cards limits and western union transfers; Bank precaution: redesign the appointment process were the answers given by the participants. As it is shown on table 11, most of the participants answered service improvement and bank offers.

The opinions of the participants regarding the research question are given below.

"The banking sector has developed all its digital transactions, as well as phone banking and the online banking." interviewer 1

We of course developed our e-channels, call centers and mobile application. We started adding more features and functions into the mobile application, so customers can now open additional accounts without coming to the bank, they can transfer money without coming to the bank, paying credit card, do a western union transfers to someone else, so we improved the e-channels more, making life easy without the need to meet the customer." interviewer 10

"a-Accelerated the online banking process, more products available online and simplified the online banking process. b-Appointment process for branch transaction redesign the branches to ensure social distancing." interviewer 11

"The bank improved the banking mobile application services, such as, opening bank accounts, ordering ATM cards, ability to transfer money to certain countries in one minute, partnership with Western Union, and lately, updating personal information and all of these will be approved after providing all documents required online." interviewer 2

"90% of our transactions became online, with requests such as issuing credit cards, pay for visa and pay utility bills all through online channels. Personal loan can now be done within 5 minutes." interviewer 3

"The verity of the alternative channels that the bank offers in order to prevent customers coming to the branch and make life easier for our customers and to reduce the gathering to ensure their safety." interviewer 4

“Banks focused on developing their online services and ATM machine services to prevent large gatherings inside the branches. Therefore, the bank stopped processing any transactions and services that could be done through online banking platforms.”
interviewer **5**

“Acceptance towards digital channels have increased remarkably. Customers are using mobile application and call centers rather visiting branches. Therefore banks are trying to put all banking services on digital channels and providing digital payment solutions to meet customers’ expectations. Like in XYZ Bank, we have launched wearable gadgets for contactless and quick payments after collaborating with Visa, Master Card, Fitbit and Garmin. The XYZ Bank wristbands entered the market at a time when there is an increased demand in safe, contactless payment. In addition to being safe, the wearable facilitate fast and easy transactions using blended technology that is both secure and fashionable. The initiative falls under D-Pay, a key cornerstone in XYZ Bank’s digital transformation that seeks to absorb the latest technologies and online banking solutions to make banking simple, safe, and convenient for our customers.” interviewer **6**

“Mainly IT channels were re-introduced to decrease the manual transactions.” interviewer **7**

“We started shifting towards online banking instead of traditional paperwork. Also, banks started to improve their digital channels to reduce the paperwork.” interviewer **8**

“We explained to the customers that online banking is the way to go, which will keep them safe and reduce the risk of touching anything. We increased the limit of tap and pay cards from 150 to 300 QAR” interviewer **9**

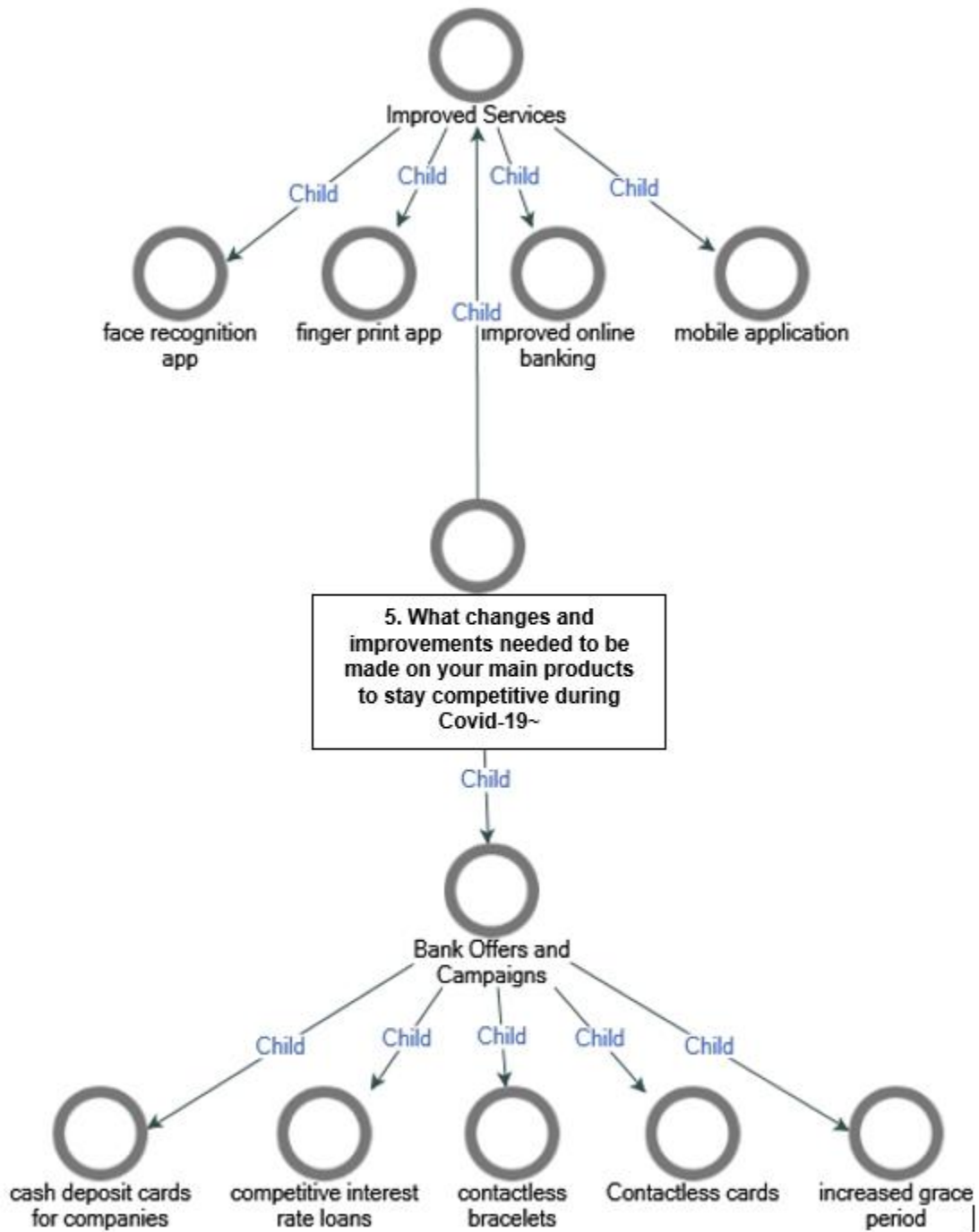


Figure 17. What changes and improvements needed to be made on your main products to stay competitive during Covid-19?

Table 12. What changes and improvements needed to be made on your main products to stay competitive during Covid-19?

THEMES	Number of opinions stated
Bank Offers and Campaigns - Contactless cards (5) / contactless bracelets(2)/ competitive interest rate loans(6) / increased grace period (1)/ cash deposit cards for companies(1)/	15
Improved Services - mobile application(2)/ improved online banking(2) / face recognition app(1)/ finger print app(1)	6

Table 12 above demonstrates the answers given for the question ‘**What changes and improvements needed to be made on your main products to stay competitive during Covid-19?** Bank offers and campaigns: contactless cards, contactless bracelets, competitive interest rate loans, increased grace period and cash deposit cards for companies; Improved services: mobile application, improved online banking, face recognition app and finger print app were the answers given by the participants. As it is shown on table 12, most of the participants answered bank offers and campaigns and improved services.

“The bank has increased its advertising campaigns, as well as added competitive offers on all its products. The interest rate was reduced, cards became contactless and customers can now use a mobile application for all needed transactions.” interviewer **1**

“Of course there some changes that happened especially now that the cards became contactless. We have promotions to attract customers. We are working on making a contactless cards and bracelet that customers can wear on their wrists to you can pay instead of cash. These things are actually make customers happier and satisfied, without the need to be touching anything.” interviewer **10**

“Incentives given by the bank such as interest and principle repayment and an increased grace period.” interviewer **11**

“There were circular from QCB (Qatar central bank) for all banks to reduce the loans’ flat rate. It was reduced from 3.5% to 2%. Deposits were also reduced, as previously, the one year deposits profit was 4% but now it does not exceed 1.5% for a year.” interviewer **3**

“I think the national program that been launched through the central bank of Qatar, in order to postpone the current installments from the affected business due to the pandemic and provide another new long-term loans as a support to pay rent and salaries.” interviewer **4**

“Banks improved their online banking services, adding various options. They additionally created cash deposit cards for companies to avoid currency exchange between customers and the bank.” interviewer **5**

“Loans are moving towards digital approvals, cards are moving towards digital contactless cards and the banks have introduced many wallets and pays to digitally cater the market evolving requirements.” interviewer **6**

“We started to provide our customers extra period to match with their cash flow, also new products are introduced such as tap and pay cards and bracelet to reduce the physical contact.” interviewer **7**

“By doing interest campaigns.” interviewer **8**

“We introduced the bracelet as a payment method and customers were able to get loans through e-channels rather than going to the branch.” interviewer **9**

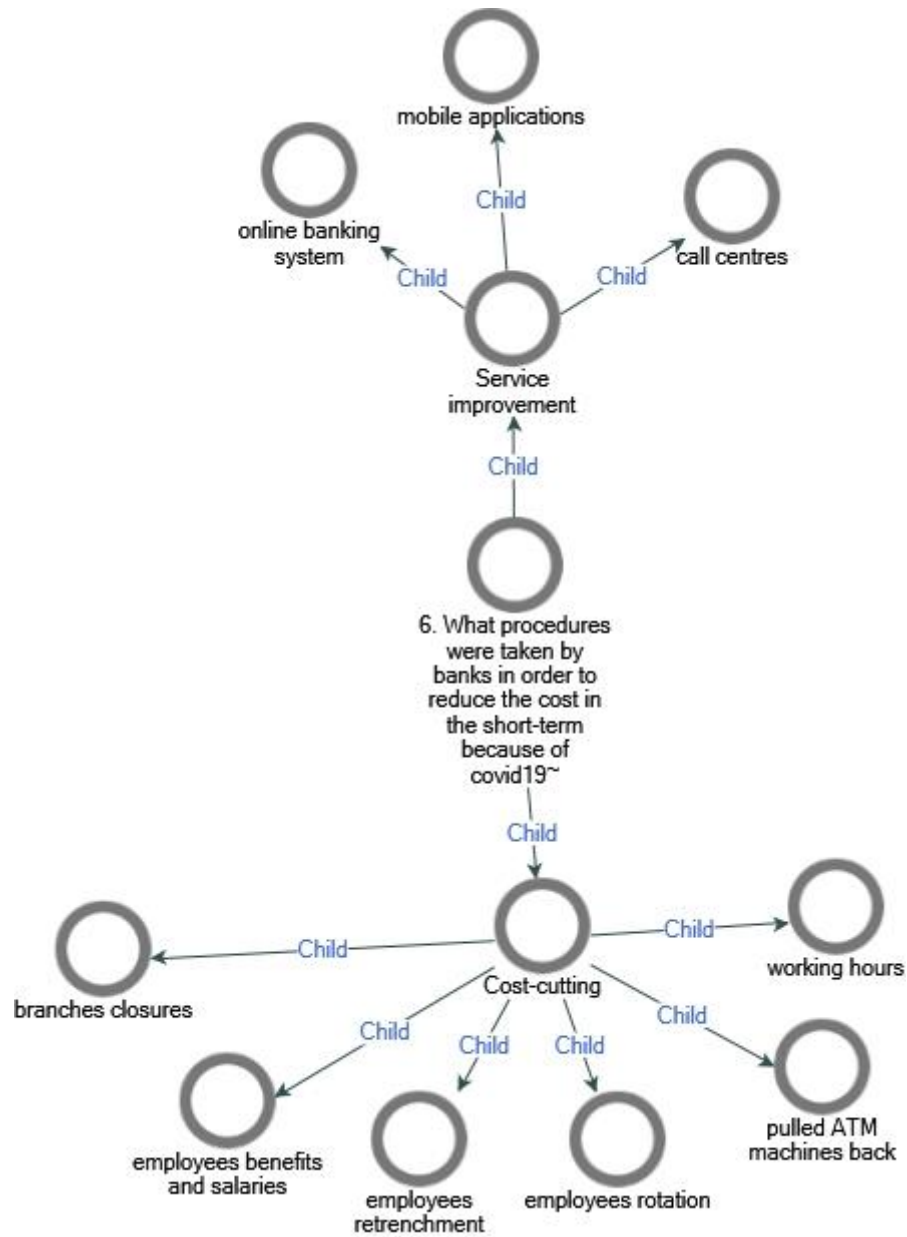


Figure 18. What procedures were taken by banks in order to reduce the cost in the short-term because of covid19?

Table 13. What procedures were taken by banks in order to reduce the cost in the short-term because of covid19?

THEMES	Number of opinions stated
Cost-cutting- branches closures (5)/ employees benefits and salaries(9)/ employees retrenchment (7)/ employees rotation(2)/ pulled ATM machines back(1)/ working hours(1)	25
Service improvement- call centres(1) , online banking system (4)/ mobile applications(1)	6

Table 13 above demonstrates the answers given for the question ‘**What procedures were taken by banks in order to reduce the cost in the short-term because of covid19?**’ Cost-cutting; branches closures, employees benefits and salaries, employees retrenchment, employees rotation, pulled ATM machines back and working hours; Service improvement: call centres, online banking system and mobile applications were the answers given by the participants. As it is shown on table 13, most of the participants said that cost-cutting and service improvement.

The opinions of the participants regarding the research question are given below.

“To reduce costs, the bank has temporarily closed some of its branches, as well as reduced working hours and the number of employees” interviewer 1

“There is no doubt that the profit in the bank been decreased because of covid19, like any company in the world. We also started depending on online and e-channels because most of the branches closed during covid19, so it makes more sense for the bank to depend on systems rather than people. This was achieved by the improvement of applications and the system, and we were able to decrease the number of staff, and the presence of a large number of staff members within the premises was not required anymore. This resulted in some deductions and terminations, and this not only here, it happened everywhere in the world.” interviewer 10

“Cost reduction included staff retrenchment to reduce staff cost.” interviewer 11

“Through the paperless procedure we managed to reduce operation costs, technical mistakes, effort and time consuming which was required to be done manually by the employee and the presence of the customer himself. The system is also connected with Credit Bureau in order to check on the customer credit history before taking any action on the service required. Moreover, a call center was enhanced from other sections of the bank to provide fast and best support to all customers. Some of the employees were shifted to the call center after reducing the number of employees’ attendance to 30% to provide better customer service and to reduce the operation cost to 30%.” interviewer 2

“Most of the banks reduced employees’ salaries and started to terminate some of the employee contracts and end their services.” interviewer 3

“The branches were temporarily closed, and we reduced the deposit profits due to pandemic.” interviewer 4

“We had to terminate some employees in some departments, meanwhile assigned other employees additional tasks in order to cut costs.” interviewer 5

“Banks in Qatar as mentioned earlier have invested in strategic projects to digitalize the banking services which in return will reduce the future operating cost. Staff size or benefits was not materially adjusted in Qatar’s Banking industry however cost optimization was also from reduction in the business meetings/trips as all such are now taking place using online platforms like zoom or MS Teams etc.” interviewer 6

“We tried to reduce the cost by decreasing manpower and reducing hospitality services and business trips, as well as reducing allowances, such as shift allowances for branches and transportations.” interviewer 7

“Many branches were temporarily closed due to the pandemic and the employees started working from home. There was no overtime and salaries were reduced.” interviewer 8

“Hospitality services were reduced, closing of branches (some mall branches) and pulling ATM’s back, which saved us a lot of money as well as POS (point of sale) as it also had a maintenance cost.” interviewer 9



Figure 19. What methods were used to attract customers to use internet banking over the traditional methods?

Table 14. What methods were used to attract customers to use internet banking over the traditional methods?

THEMES	Number of opinions stated
Promoting digital banking simplicity	24

Table 14 above demonstrates the answers given for the question ‘**What methods were used to attract customers to use internet banking over the traditional methods?**’ As it is shown on table 14, most of the participants answered promoting digital banking simplicity.

The opinions of the participants regarding the research question are given below.

“We attracted customers by directing them to digital platforms, as the bank sent text messages to customers instructing them to conduct their transactions via the mobile application and explain in details how they can use it. In addition, the branches have stopped providing services that can be processed via mobile banking.” interviewer **1**

“Instead of having to go to Western Union to exchange and transfer money, now it can be done through our mobile application. Additionally, you can check the exchange rate everywhere in the world. There are many functions that have been added to the mobile application, including options that would help people with their daily, personal life. For example, our bank’s mobile application has ATHAN (call to prayer), so it would remind the users with the praying time. Also, if you have account in our bank and you want to buy something by sending your personal driver and forgot to give him money, you can transfer him the money through any of our bank’s ATM machines, and he can enter the code and get up to 500 QAR. That can be done through the mobile application, so that makes life easier.” interviewer **10**

“Introduced simplified process to onboard clients to promote online banking, such as lesser document requirements and acceptance of document copies on temporary basis.” interviewer **11**

“We offered some attractive services and alternative channels to customers which we managed to guide them to use it because it was not possible for more than 10 customers to present inside the bank by law. Some of these services are the ability to deposit money in ATM machine, which is distributed all over the country, up to Qr. 50,000.00 without the need to present to the branch. Moreover, cheques with amount of maximum Qr. 100,000.00 can also be deposited through ATM machine.” interviewer **2**

“We tried to attract our customers by our campaigns on social media, especially on Twitter and Instagram. In addition to that, our branches completely stopped providing services to customers and specifically the services that can be found online. This helped in directing the customers towards us.” interviewer **3**

“We stopped accepting any transaction that can be done through our online channels, and we simplified the procedures on these alternative channels.” interviewer **4**

“Usually customers wait in line for hours in our bank waiting to get served, but by allowing the customers to complete almost 80% of their work using our online platforms, with requests such as requesting cheque books, money transfer whether locally or internationally, standing orders, salary transfer and checking statements.” interviewer 5

“The banks have communicated on safety and security aspects of digital channels; and educated them on easy ways to operate various products and services using e-banking channels, which resulted into increase in the customers’ confidence, which in return have started to prefer internet banking over conventional way of banking. Social media and direct marketing played a pivotal role in this. Further lockdowns also helped even for hard-core customers, in a way that they were forced to explore new ideas as ‘necessity is the mother of invention’.” interviewer 6

“We made it easier by introducing OTP (One-Time Password) and longer to use tokens, for both corporate and retail.” interviewer 7

“By doing campaigns through social media and sending SMS’s to customers to increase the awareness of our products.” interviewer 8

“In order to convince our customers, we offered online transfers for lower charges than the usual, and speed of processing payment were faster.” interviewer 9

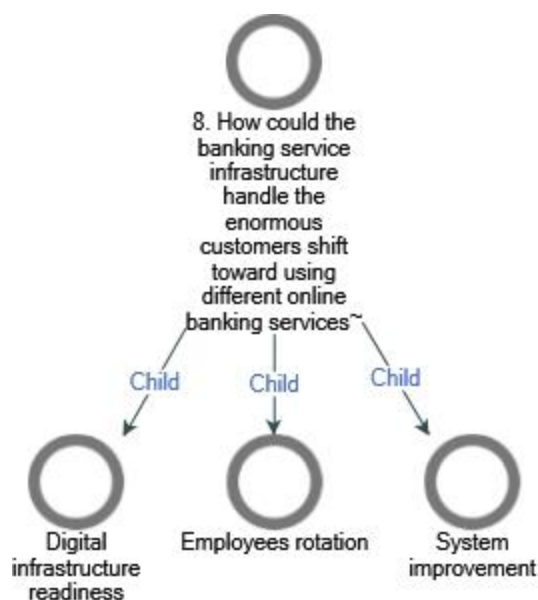


Figure 20. How could the banking service infrastructure handle the enormous customers shift toward using different online banking services?

Table 15. How could the banking service infrastructure handle the enormous customers shift toward using different online banking services?

THEMES	Number of opinions stated
Digital infrastructure readiness	8
System improvement	5
Employees rotation	2

Table 15 above demonstrates the answers given for the question ‘**How could the banking service infrastructure handle the enormous customers shift toward using different online banking services?**’ Digital infrastructure, system improvement and employees rotation were the answers given by the participants. As it is shown on table 15, most of the participants answered digital infrastructure readiness and system improvement.

The opinions of the participants regarding the research question are given below.

“The bank has used a huge number of digital engineers to develop its digital system to meet the needs of all customers” interviewer **1**

“We were ready to switch from normal banking to online banking, and before Covid19 we were improving our mobile application. I think all banks were ready.” interviewer **10**

“The bank already had the infrastructure to absorb the increased number. Previously, the customers in Qatar were resistant to using online banking. There was a push to increase customer service staff to support more customers going online.” interviewer **11**

“Since year 2000 the bank was investing in system improvement which made the bank services transactions faster and better. All the services can be reached through our online and mobile application which is secured by OTP, one time password, except changing the registered mobile number. In general, the bank improved its e-banking services and programs provided to customers in order to approach customer satisfaction.” interviewer **2**

“The shift towards online did not affect us much, and many customer service employees were shifted to call center to fulfill the customers’ needs” interviewer **3**

“The current system was supported and developed in order to increase its capability of receiving more transactions, but in general, we did not face any issue with it.” interviewer **4**

“Well, recruitment of high competencies in the information technology department, internal departments, call center and customer support, in order to support customers with their inquiries and solve technical problems in no time makes customers satisfied and comfortable with using online banking.” interviewer **5**

“Strategy of the Bank was always towards digital channels and requisite infra was either in place or planned. Covid-19 has accelerated the implementation and more acceptance at all levels.” interviewer **6**

“We were ready prior the pandemic as we have been campaigning for customers to use online platforms and services.” interviewer **7**

“I think we were ready for this shift.” interviewer **8**

“We had this infrastructure as it has the same cost, and from a risk point of view we always have a bigger servers and database.” interviewer **9**

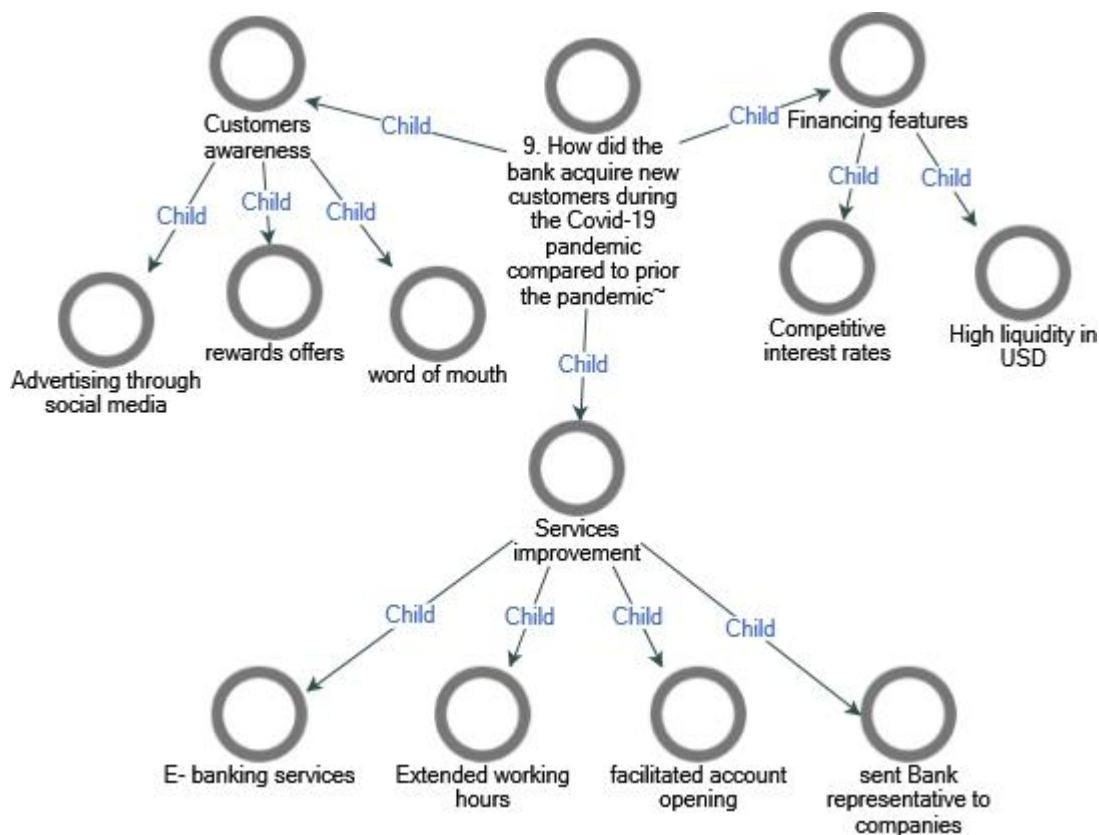


Figure 21. How did the bank acquire new customers during the Covid-19 pandemic compared to prior the pandemic?

Table 16. How did the bank acquire new customers during the Covid-19 pandemic compared to prior the pandemic?

Themes	Number of opinions stated
Financing features- Competitive interest rates (8)/ High liquidity in USD (1)	9
Customers awareness - Advertising through social media (8)/ word of mouth (2)/ rewards offers (1)	10
Services improvement- E- banking services (2) / sent Bank representative to companies (1)/ facilitated account opening (1)/ Extended working hours (1)	5

Table 16 above demonstrates the answers given for the question ‘**How did the bank acquire new customers during the Covid-19 pandemic compared to prior the**

pandemic?” financing features: competitive interest rate and high liquidity in USD; Customers awareness: advertising through social media, word of mouth and rewards offers; services improvement: E-banking services, sent bank representative to companies, facilitated account opening and extended working hours were the answers given by the participants. As it is shown on table 16, most of the participants' answered customers' awareness and financing features.

The opinions of the participants regarding the research question are given below.

“The bank used offers and advertising to attract new customers. Different channels were used including SMS's, Facebook, Twitter, and other social media platforms.” interviewer **1**

“We offer promotions for some companies, especially government companies, and try to offer services by sending our employees to them instead of their coming to the bank to make their lives more convenient. We also provide promotions for personal finances for around 10k- 15k QAR so we are trying to attract customers, because customers are now going through a hard time, and there are many competitors so it is not easy to get a customer from another bank to transfer to ours. Yet, we try to attract them with new promotions, discounts and by buy one get one free offers. We decreased the profit rate and increased the long-term deposit profit rate. I think all banks are doing the same thing.” interviewer **10**

“As the biggest bank in the MENA region, our liquidity is stronger than competitors regarding USD availability. We used this to our advantage in gaining new customers.” interviewer **11**

“By improving the e-banking services of our bank, in addition, applying new financing policies, sending sms to customers with the services provided, advertisement campaign through social media, offering a new program which is called Mesk Account where there will be 15 winners weekly awarded with Qr.10,000.00, a monthly prize for Qr. 50,000.00 for two winners and a yearly prize for one winner for the amount of Qr. 1,000,000.00. We always win our customers by the confidence in our services and system security.” interviewer **2**

“By opening many branches that we have distributed all around the country and malls branches that did not exist 4 years ago, and our working hours from 9am until 9pm is extra advantage.” interviewer **3**

“During the pandemic, we facilitated account opening procedures and other services, as well as provided services with competitive prices.” interviewer **4**

“We faced an issue in that regard, as there weren’t many new customers and barely any new bank accounts opened.” interviewer **5**

“There is no much of a difference in the approach in this area. Acquisition is largely done using all available channels including branches, sales, marketing, social media etc. However digital marketing played a major role here and e-banking offerings during this time which was a major attraction for new customers.” interviewer **6**

“By providing FX for all our customers, which attracted new customers, as other banks were facing issues. We also made a campaign through social media platforms including Instagram, Twitter and Facebook with incentives competitive rate and loyalty program (points).” interviewer **7**

“By our competitive commercial rates for different industries.” interviewer **8**

“Through our amazing online services and word of mouth from customers.” interviewer **9**

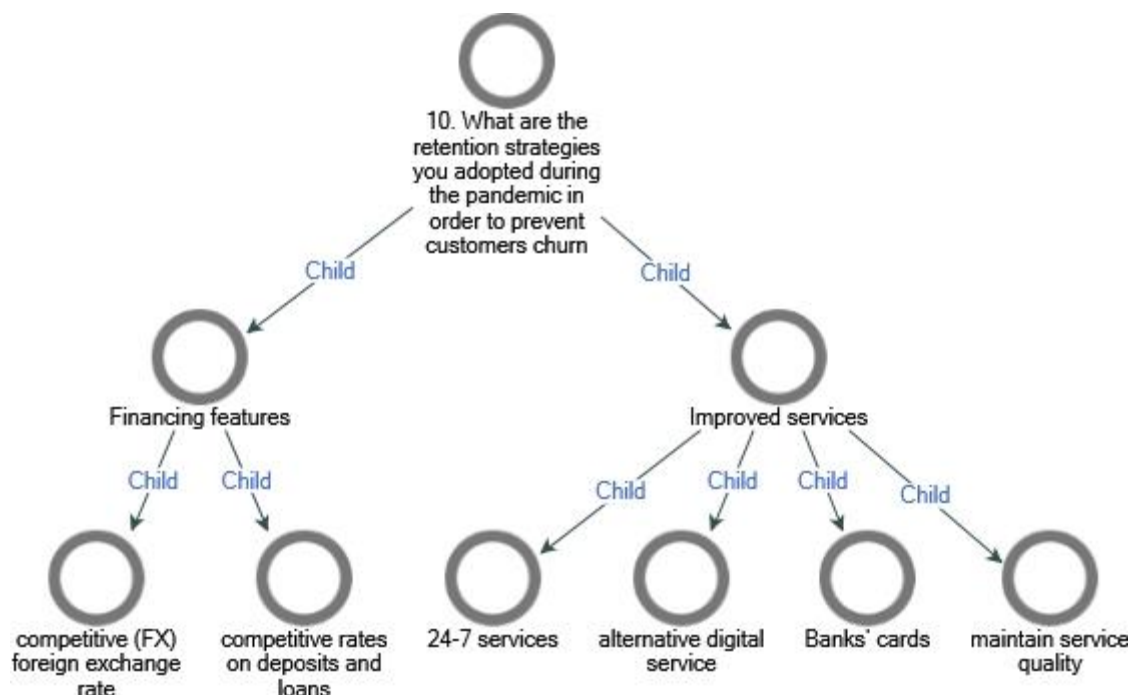


Figure 22. What are the retention strategies you adopted during the pandemic in order to prevent customers churn?

Table 17. What are the retention strategies you adopted during the pandemic in order to prevent customers churn?

THEMES	Number of opinions stated
Improved services- alternative digital services(4)/ 24/7 services(1) / Banks' cards (3)/ maintain service quality (6)	14
Financing features- competitive rates on deposits and loans (3)/ competitive (FX) foreign exchange rate (1)	4

Table 17 above demonstrates the answers given for the question “**What are the retention strategies you adopted during the pandemic in order to prevent customers churn?**” improved services: alternative digital services, 24/7 services, bank cards and maintain service quality; financing features: competitive rates on deposits and loans, and competitive (FX) were the answers given by the participants. As it is shown on table 17, most of the participants said financing services and financing features.

The opinions of the participants regarding the research question are given below.

“We have done as much as possible to help customers and educate them on how to use the online platform and mobile application, to be able to conduct transactions remotely in order to preserve their health first in addition to the health of society.” interviewer 1

“Competitive pricing on deposits and loans, competitive (FX) foreign exchange rate and availability of currency.” interviewer 11

“Competing with other bank’s offers, reducing financing percentage from 6% to 4%, finding the reason behind their interest to leave the bank and trying to satisfy and offer them better services. In my opinion, our bank services offered are better than our competitors.” interviewer 2

“We have the best application in the Middle East, and one of the best rates for personal financing and mortgage financing compared to competitors.” interviewer 3

“We improved our services and fulfilled our customers’ needs. In addition to that, we provide exceptions for our loyal customers and the special ones.” interviewer 4

“It was definitely a hard time for all of us. We focused on the quality of our work and treating customers like they are our friends as a strategy to gain the customer’s trust and provides them with alternative services.” interviewer 5

“Retention policies were more or less remain the same as before. Offerings such as digital services which continue to make banking easy for customers were introduced during this time and communication was a key as all relationship managers were in touch with customers throughout to cater there requirements.” interviewer 6

“As one of the major banks in Doha, the customers stayed due to our amazing customers’ services and support.” interviewer 7

“The online banking was upgraded to deliver our services and meet the customers’ needs, which I found to be convenient for customers.” interviewer 8

“Our customers are loyal due to our updated work products and 24/7 services.” interviewer 9

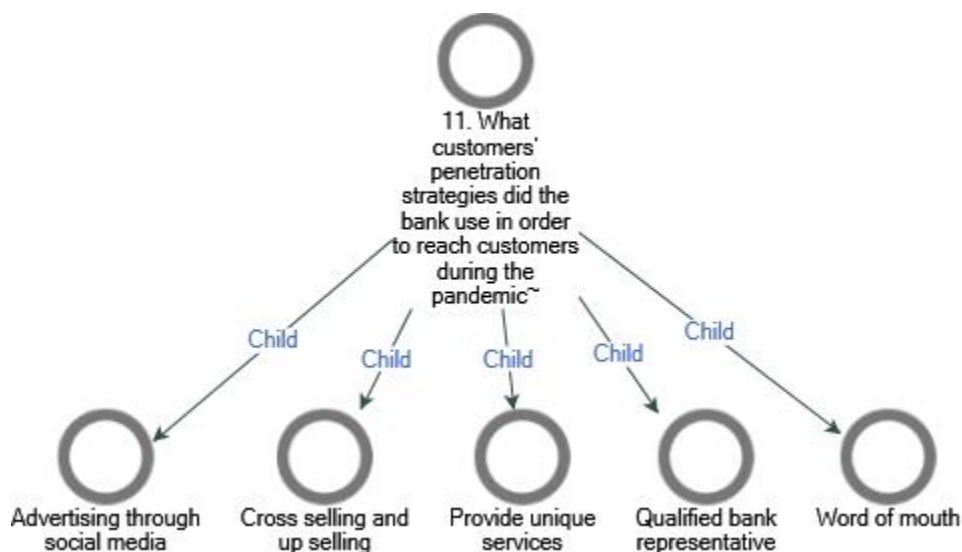


Figure 23. What customers' penetration strategies did the bank use in order to reach customers during the pandemic?

Table 18. What customers' penetration strategies did the bank use in order to reach customers during the pandemic?

Themes	Number of opinions stated
Provide unique services	4
Cross selling and up selling	2
Word of mouth	1
Advertising through social media	3
Qualified bank representative	2

Table 18 above demonstrates the answers given for the question **“What customers’ penetration strategies did the bank use in order to reach customers during the pandemic?”** provide unique services, cross-selling and up-selling, word of mouth, advertising through social media and qualified bank representative were the answers given by the participants. As it is shown on table 18, most of the participants said provide unique services and advertising through social media

The opinions of the participants regarding the research question are given below.

“We have qualified a huge number of employees to work remotely and communicate with new customers to bring them to our bank.” interviewer **1**

“We do some offers and promotions with big companies and ministries in Qatar, and we give them special rates and services to attract them.” interviewer **10**

“Incentives for cross selling examples: better deposit rates for customers who use other products such as loans and foreign exchange.” interviewer **11**

“Because of our distinguished services, our customers tend to share their experience with their friends and relatives. On the other hand, some of our services are not provided by other competitors. Besides, the bank activities and campaigns in social media made our bank more preferred.” interviewer **2**

“Through the E-banking, social media and call center.” interviewer **3**

“We have done advertising and marketing campaigns on our alternative products and services through social media, whereas the customers and the people in general prefer to stay at home and not go out.” interviewer **4**

“Our bank reduced the number of employees working in one department, yet made sure to provide all needed services to the customers.” interviewer **5**

“Cross selling, up selling and referrals” interviewer **6**

“We penetrated through our subsidiaries as we have banks/ branches all over the Middle East, which helps new and existing customers open accounts internationally.” interviewer **7**

“Deliver their needs on exceptional basis through the phone or recorded calls and emails.” interviewer **8**

“Our country is small and all individuals and core customers know that our bank is strong foreign exchange liquidity compared to other banks in Qatar, which made a lot of customers come to us to open account.” interviewer **9**

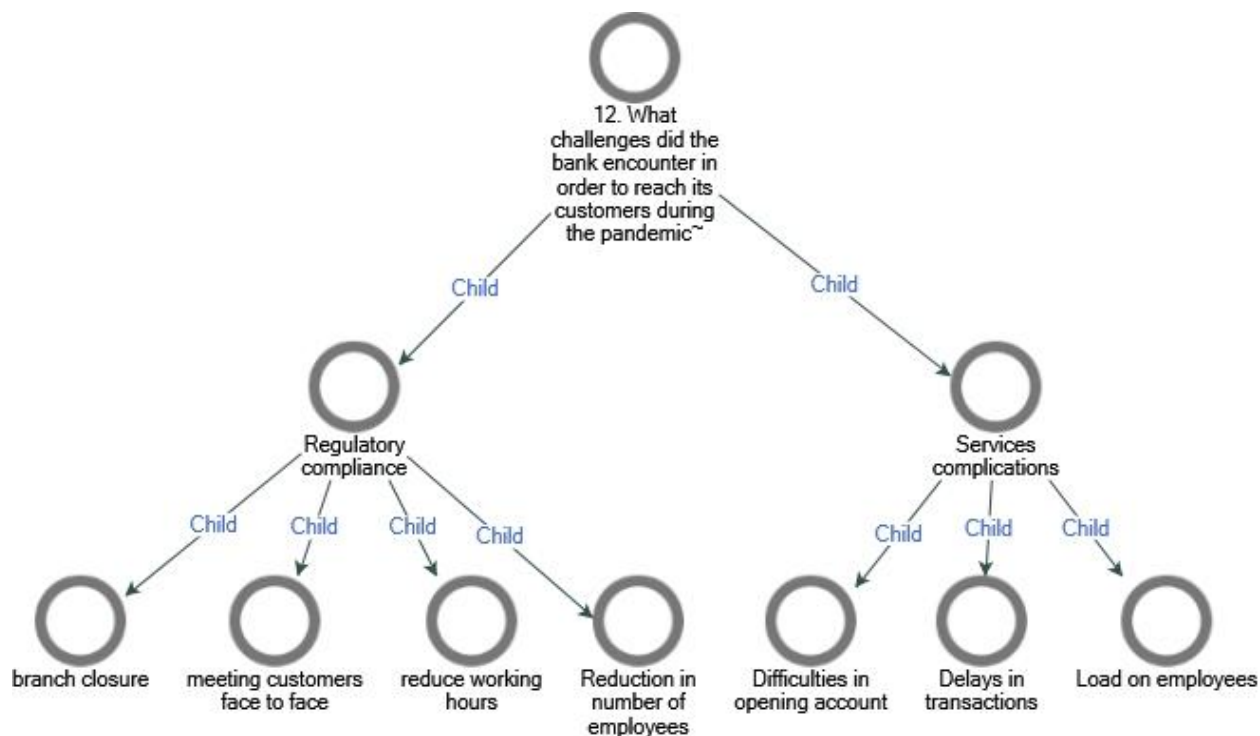


Figure 24. What challenges did the bank encounter in order to reach its customers during the pandemic?

Table 19. What challenges did the bank encounter in order to reach its customers during the pandemic?

THEMES	Have Stated an Opinion (n)
Regulatory compliance -branch closure (4)/ meeting customers face to face (6)/ Reduction in number of employees (1)/ reduce working hours (2)	13
Services complications - Difficulties in opening account (1)/ Load on employees (3)/ Delays in transactions (1)	5

Table 19 above demonstrates the answers given for the question ‘**What challenges did the bank encounter in order to reach its customers during the pandemic?**’ regulatory compliance: branch closure, meeting customers face to face, reduction in number of employees and reduce working hours; services complications: difficulties in opening account, load on employees and delays in transactions were the

answers given by the participants. As it is shown on table 19, most of the participants gave the answer of regulatory compliance.

The opinions of the participants regarding the research question are given below.

“The bank had to use all available means to reach customers, as part of the remaining precautionary measures” interviewer **1**

“Everything was closed, so we struggled to meet customers for signatures or any required documents if they wanted to apply for loans, as we cannot accept such information through our call centers, even if the calls are recorded, in order to avoid any legal issues especially in the case of late payments. Recorded calls are not as strong as a signed contract. So the main point is it was difficult to meet customers to sign documents.” interviewer **10**

“ We faced challenges in processes that required physical presence and meetings, which delayed transactions such as lending, transfers and other banking products.” interviewer **11**

“The reduction in number of employees in the branch led to difficulties to reach to customers. However, most of the services depend on the personal relations where we can provide him the service onsite as we have a special section to provide such services. The bank has customer segments divided into Private, Tamayos, regular customers and labors. These challenges besides the government regulations forced us to reduce the working hours and close some of our branches. In the beginning of the pandemic, there were only 4 – 5 branches working which led to a big pressure on the employees.” interviewer **2**

“When the customers try to open a bank account for the first time, but we resolved that by providing a service number to solve issues. Our applications were so strong.” interviewer **3**

“There are several challenges including when imposing specific work times, especially in mall’s branches, resulting to directing customers to outside branches because of closure of malls, the bank enhanced these banks with staffs and instruments to contain high number of customers as possible.” interviewer **4**

“We faced some challenges in organizing the crowd in the branch and control the number of customers inside.” interviewer **5**

“There wasn’t as such any major challenge apart as mentioned above customer expectations were managed and they were provided guidance on the new products and services and digital platform continuously.” interviewer **6**

“Flexibility of direct meetings, and meeting new people was hard due to the government policies. Also, a lot of branches were temporarily closed due to government restrictions such as malls branches and industrial area.” interviewer **7**

“Because of the government regulations and social distancing restrictions we were unable to meet customers face to face at the branch, so the banks generally took some risks to keep the relations between the bank and the customers by sending their staff to their offices” interviewer **8**

“When we closed some of our branches, there were load in the other branches.” interviewer **9**

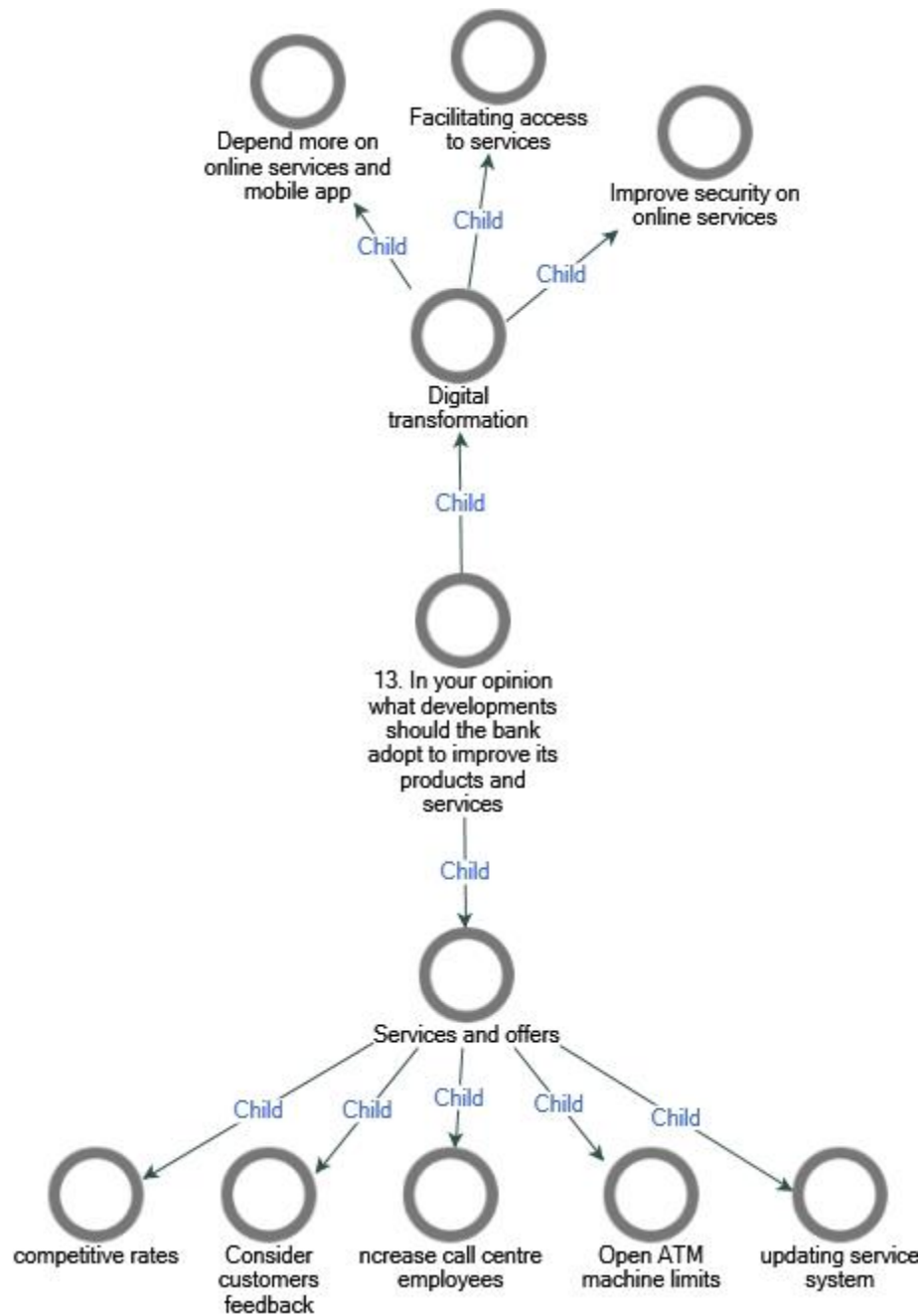


Figure 25. In your opinion what developments should the bank adopt to improve its products and services?

Table 20. In your opinion what developments should the bank adopt to improve its products and services?

THEMES	Have Stated an Opinion (n)
Digital transformation- Depend more on online services and mobile app (8)/ Improve security on online services (2)/ Facilitating access to services(1)	11
Services and offers - competitive rates (1)/ Consider customers feedback (1)/ Open ATM machine limits (1)/ Increase call centre employees (1)/ updating service system (1)	5

Table 20 above demonstrates the answers given for the question ‘**In your opinion what developments should the bank adopt to improve its products and services?**’ digital transformation: depend more on online services and mobile app, improve security on online services and facilitating access to services; services and offers: competitive rates, consider customers feedback, open ATM machines limits, increase call centre employees and updating service system. As it is shown on table 20, most of the participants gave the answers of digital transformation, and services and offers.

The opinions of the participants regarding the research question are given below.

“Now, in the process of this pathological phenomenon, the world is developing all means to work and serve its customers remotely, and this in itself is a challenge that everyone must successfully overcome and I found it the main target that need to be achieved.”
interviewer 1

“We must start depending more on online services so that customers do not need to physically come, except if they need cash. I think we should also open the limit on ATM machine, and advance the security in online purchases and increase the limit. I believe everything should be done online because this I think it will improve the bank and its

services, as even the older generations started to use online banking services and adapt.”
interviewer **10**

“Give more authority to different bank staff to allow quick decision making and processing to avoid bottlenecks. Reduce reliance on original documents for non-high financial risk transactions such as balance conformations and statements copies.” interviewer **11**

“Each bank has to find solutions for his branches and go towards applying e-banking services, and improve the alternative channels to reduce the need of customer presence to the bank. Ease the communication of customers with the call center, increase the number of employees in the call center, keep updating the bank services system to gain customer satisfaction.” interviewer **2**

“I do not think there is anything that needs to be changed, and there are developments on our applications and 95% of the banking transactions will be through it.” interviewer **3**

“I think the bank needs to enhance the alternative channels by reducing the technical issues, also facilitating access to services so that the customer is able to do his banking transactions in the shortest time.” interviewer **4**

“Our weakness as a bank is that we only have one corporate branch in which we serve more than 9000 companies all in one building, as opposed to other banks that have three or four. This is a major disadvantage for us.” interviewer **5**

“Invest in R&D and keep on improving the infra to meet similar challenges. Regardless of pandemic, the world is moving towards digitalization including remote banking and banks have to match customers’ demands under all areas of banking services.” interviewer **6.**

“In order to improve, we would have to provide more competitive pricing on loans and deposits.” interviewer **7**

“I think we need to start distributing our products internationally.” interviewer **8**

“To call the customers more and get their feedback and then send these feedbacks to our development team to improve.” interviewer **9**



Figure 26. Word Cloud Analysis for Word Frequency

According to the word analysis results of the NVivo R1 program, the most frequently used words are shown in Figure 26 above. The most frequently used words are “bank, customers, services, work, provide, channels, number, branches, reduce, government, needs, increased, using, started, center, online, make, affected, meet, pay, issues, keep, gain, transfer, call, stopped, employees, support, cards, managed, required, improve, process, challenges, application, offers, pandemic, open, face, business, trying, closed, resulted, Exchange, alternative, shift, expectations, transactions, mobile, regulations, digital, home, products, promotions, loans, account, certificates, campaigns, social”. As a result of the combination of these words, it is better understood how the change in customer expectations in the banking model during covid-19 affects the banking service model. As a result of this analysis, it will assist the banking industry in improving existing services by understanding and predicting customer behavior and assessing customer satisfaction, customer retention and customer acquisition in order to prepare for future crises and better adapt to the ongoing crisis.

CHAPTER V

RESULTS

The results obtained from the volunteer participants participating in the research are as follows.

Customer issues: Cancelled projects, unstable financial position and difficulties in paying dues; Bank precautions: Employees physical presence reduced and branches closures; Loss of bank: Reduce the usage of banks' services and reduce bank return; Bank services: E-services empower, improved ATM machines, increase grace period and reduce loans' interest rate themes were obtained from the question **“What do you think about the effect of Covid19 on banking industry in general?”**. Opinions were given from the interviewees are *“Covid-19 had a negative impact on the global economy in general and the banking sector in particular. There is no doubt that the banking industry got affected by the new government regulations such as reducing the number of the working employees to 30% only and have the remaining employees work remotely”, “Slowdown in economy due to lock down, as businesses closed and therefore banking was affected due to the reduction in lending and deposits and other products”*.

From the question **“In your opinion what changes have taken place in customers' expectations?”** Offered services: Digital banking, extended loans' grace period, home delivery services and competitive interest rate; Customers issues: jobs insecurity. Participants reported these views *“The banks started using alternative channels, and we started relying on internet banking or mobile banking and other services that fulfill our customers' needs without the need of them coming to the branch physically”, “Customers are now expecting banking on their fingertips with least interaction with humans. For example if a customer earlier used to visit a branch to submit a dispute on credit cards now want to have this resolved remotely. The same applies to any other banking services. The pandemic has led change in thinking of customers, who are now more prone to use technology rather conventionally visiting the branches for any banking services”*.

Themes obtained from the question **“How has government regulation surrounding Covid-19 impacted the way you interact with customers?”** are Bank precautions: Limited customers number, reduced employees number, wear masks and keep social distancing, online meeting and Qmatic appointment; Bank offers: Digital channels and grace period on loans; Bank issues: Closing branches and issues in exchange of paperwork. Interviewers commented that *“The government regulations saved the employees and customers as well, in which the application (Ehtiraz), an application that shows the status of the holder related to covid-19, shows whether the customer is affected or not by the disease and accordingly the bank security will allow him to enter or not. In addition, social distance and customers presence reduction to 10% in order to give best service and safety to the customers. And in order to encourage the customers to use the mobile application, bank stopped providing any of the services, at the bank, that can be done on the application”, “The difficulty of customers to enter the branch or the restrictions by the government that allows a limited capacity within the premises of the branch. Additionally, the number of employees was reduced to abide by the precaution procedures, which gave us a difficult time and pressure. We also enforced the policies such as the requirement to wear masks and keep social distancing”.*

In the interview question **“How has the banking service model evolved with Covid-19 and what changes have the bank taken to meet customers’ expectations?”** the themes of service improvement: online banking, mobile application, call centres and ATM machines; bank offers: wearable contactless gadgets, increased cards limits and western union transfers; bank precaution: redesign the appointment process came out. *“We of course developed our e-channels, call centers and mobile application. We started adding more features and functions into the mobile application, so customers can now open additional accounts without coming to the bank, they can transfer money without coming to the bank, paying credit card, do a western union transfers to someone else, so we improved the e-channels more, making life easy without the need to meet the customer”, “Acceptance towards digital channels have increased remarkably. Customers are using mobile application and call centers rather visiting branches. Therefore banks are trying to put all banking services on digital channels and providing digital payment solutions to meet customers’ expectations. Like in XYZ Bank,*

we have launched wearable gadgets for contactless and quick payments after collaborating with Visa, Master Card, Fitbit and Garmin. The XYZ Bank wristbands entered the market at a time when there is an increased demand in safe, contactless payment. In addition to being safe, the wearables facilitate fast and easy transactions using blended technology that is both secure and fashionable. The initiative falls under D-Pay, a key cornerstone in XYZ Bank's digital transformation that seeks to absorb the latest technologies and online banking solutions to make banking simple, safe, and convenient for our customers" statements were obtained from the participants.

The themes obtained from the question **“What changes and improvements needed to be made on your main products to stay competitive during Covid-19?”** were Bank offers and campaigns: contactless cards, contactless bracelets, competitive interest rate loans, increased grace period and cash deposit cards for companies; Improved services: mobile application, improved online banking, face recognition app and finger print app. Participants gave their opinions as *“Incentives given by the bank such as interest and principle repayment and an increased grace period”, “We started to provide our customers extra period to match with their cash flow, also new products are introduced such as tap and pay cards and bracelet to reduce the physical contact”*.

Themes obtained from the question **“What procedures were taken by banks in order to reduce the cost in the short-term because of covid19?”** were Cost-cutting; branches closures, employees benefits and salaries, employees retrenchment, employees rotation, pulled ATM machines back and working hours; Service improvement: call centres, online banking system and mobile applications. The opinions of the participants are *“Through the paperless procedure we managed to reduce operation costs, technical mistakes, effort and time consuming which was required to be done manually by the employee and the presence of the customer himself. The system is also connected with Credit Bureau in order to check on the customer credit history before taking any action on the service required. Moreover, a call center was enhanced from other sections of the bank to provide fast and best support to all customers. Some of the employees were shifted to the call center after reducing the number of employees' attendance to 30% to provide better customer service and to reduce the operation cost to 30%”, “Many branches were temporarily closed due to the pandemic and the*

employees started working from home. There was no overtime and salaries were reduced”.

Themes obtained from the question **“How could the banking service infrastructure handle the enormous customers shift toward using different online banking services?”** are Digital infrastructure, system improvement and employees rotation. Participants expressed their opinions as *“The bank has used a huge number of digital engineers to develop its digital system to meet the needs of all customers”, “The bank already had the infrastructure to absorb the increased number. Previously, the customers in Qatar were resistant to using online banking. There was a push to increase customer service staff to support more customers going online”.*

The themes derived from the question **“How did the bank acquire new customers during the Covid-19 pandemic compared to prior the pandemic?”** are financing features: competitive interest rate and high liquidity in USD; Customers awareness: advertising through social media, word of mouth and rewards offers; services improvement: E-banking services, sent bank representative to companies, facilitated account opening and extended working hours. In this question, the participants answered as *“During the pandemic, we facilitated account opening procedures and other services, as well as provided services with competitive prices”, “We faced an issue in that regard, as there weren’t many new customers and barely any new bank accounts opened”, “By providing FX for all our customers, which attracted new customers, as other banks were facing issues. We also made a campaign through social media platforms including Instagram, Twitter and Facebook with incentives competitive rate and loyalty program (points).”*

In the question **“What are the retention strategies you adopted during the pandemic in order to prevent customers churn?”** the themes of improved services: alternative digital services, 24/7 services, bank cards and maintain service quality; financing features: competitive rates on deposits and loans, and competitive (FX). Interviewees made statements as *“We have done as much as possible to help customers and educate them on how to use the online platform and mobile application, to be able to conduct transactions remotely in order to preserve their health first in addition to the health*

of society”, “Competitive pricing on deposits and loans, competitive (FX) foreign exchange rate and availability of currency”.

In the question “**What customers’ penetration strategies did the bank use in order to reach customers during the pandemic?**” provide unique services, cross-selling and up-selling, word of mouth, advertising through social media and qualified bank representative themes emerged. The statements of the interviewees are “*Deliver their needs on exceptional basis through the phone or recorded calls and emails*”, “*Our country is small and all individuals and core customers know that our bank is strong foreign exchange liquidity compared to other banks in Qatar, which made a lot of customers come to us to open account*”.

The themes obtained from the question “**What challenges did the bank encounter in order to reach its customers during the pandemic?**” are regulatory compliance: branch closure, meeting customers face to face, reduction in number of employees and reduce working hours; services complications: difficulties in opening account, load on employees and delays in transactions. The expressions of the participants for this question are “*The bank had to use all available means to reach customers, as part of the remaining precautionary measures*”, “*Everything was closed, so we struggled to meet customers for signatures or any required documents if they wanted to apply for loans, as we cannot accept such information through our call centers, even if the calls are recorded, in order to avoid any legal issues especially in the case of late payments. Recorded calls are not as strong as a signed contract. So the main point is it was difficult to meet customers to sign documents*”.

The themes obtained from the question “**In your opinion what developments should the bank adopt to improve its products and services?**” were determined as digital transformation: depend more on online services and mobile app, improve security on online services and facilitating access to services; services and offers: competitive rates, consider customers feedback, open ATM machines limits, increase call centre employees and updating service system. The interviewees expressed their statements as “*We must start depending more on online services so that customers do not need to physically come, except if they need cash. I think we should also open the limit on ATM*”.

machine, and advance the security in online purchases and increase the limit. I believe everything should be done online because this I think it will improve the bank and its services, as even the older generations started to use online banking services and adapt”, “Give more authority to different bank staff to allow quick decision making and processing to avoid bottlenecks. Reduce reliance on original documents for non-high financial risk transactions such as balance conformations and statements copies”.

CHAPTER VI

CONCLUSION

Participants answered the question, *“What do you think about the effect of Covid19 on banking industry in general?”* customer issues: cancelled projects, unstable financial position and difficulties in paying dues; bank precautions: employees physical presence reduced and branches closures; loss of bank: reduce the usage of banks’ services and reduce bank return; bank services: E-services empower, improved ATM machines, increase grace period and reduce loans’ interest rate were the answers given by participants. Most of the participants chose bank services and offers and customers issues. As we can see from the findings, a massive impact on both banks and customers has been indicated. When the respondents mentioned these ideas many times, it indicates customers’ shortage in liquidity, as many of them reduced salaries, lost their jobs or worrying about losing their job. Banks started to extend the grace period for their customers and provide lower interest rates on loans, to support those who cannot pay on time and who are in need. In addition, banks shifted towards digital channels to mitigate the spread of the covid-19 virus and provide customers with their needs of services remotely. Ersoy, Gürbüz and Erdoğan (2019) examined whether the averages of the five main banking indicators analyzed pre- and post-Covid-19 are statistically significantly different in their study titled *“The effects of Covid-19 on the Turkish banking and finance sector and measures to be taken”*. According to the test results regarding the loans in the sector, the averages of loans before and after Covid-19 differ at the level of 5% statistical significance. In other words, the averages of loans in the banking sector show a statistically significant difference in the pre-and post-Covid-19 period. In general, it is observed that the average of loans has increased compared to before the health crisis. These findings show that the banking sector supported the real sector and family members through credit channels during the analysis period, thus preventing the possible negative effects of the Covid-19 Pandemic on the economy. The decrease in credit cards was found to be significant due to both the negative expectations of the family members for the future and the inability to spend with credit cards due to the current physical

conditions. With the transition to new normal conditions in Turkey as of the beginning of June, it is necessary to monitor whether personal credit card expenditures will return to normal in the future and analyze the effects that will occur accordingly (Ersoy, Gürbüz ve Erdoğan, 2019). As a result, it has been observed that there are differences in banks loan interest amounts and cost issues during the Covid-19 pandemic period. It is thought that the reason for differences is the restriction of the personnel working in this period, and the decrease in payments and financial gain after the restriction, helping individuals to make payments and banks also support this.

In this study for the question “*In your opinion what changes have taken place in customers’ expectations?*” Offered services: Digital banking, extended loans’ grace period, home delivery services and competitive interest rate; Customers issues: jobs insecurity were the answers given by the participants. Most of the participants’ ideas were about the offered services and customers issues. Customers were directed to use the digital channels instead of coming to the branch, keep social distancing, and reduce the possibility of getting infected by the virus. Online services and mobile applications were improved to support and fulfil customers’ needs remotely. Most of the transactions can be done through them, which saving customers’ time. Moreover, customers’ insecurity about jobs affected their spending. Hence, banks provided loans with a lower interest rate to support customers paying their dues and extended the grace period of the instalments.

As a result of the study titled “*The Impact of the COVID-19 Pandemic on the Turkish Banking Sector*” of Arabacı and Yücel’s (2020). it is possible to restructure the loans and debts requested by the countries and customers. That is to provide liquidity support to the market and provide low-interest loan options and policy interest rates. Several monetary policies, including monetary policies such as changes in interest rates, were put into effect quickly during the fight against the pandemic. These changes enabled the customer to continue working with the bank. In addition, it has been determined that financial institutions such as the IMF, ECB, and the World Bank quickly put into effect credit support packages. In addition, the Economic Stability Shield Package was announced in Turkey on 18.03.2020 (Arabacı ve Yücel, 2020). As it can be understood from here, banks do not lose customers, provide an increase in banking services, reduce interest rates, provide

remote and online support to the public from the personnel in the call centres, and ensure the continuity of customers during the Covid-19 period.

In the question *“How has government regulation surrounding Covid-19 impacted the way you interact with customers?”* Bank precautions: Limited customers number, reduced employees number, wear masks and keep social distancing, online meeting and Qmatic appointment; Bank offers: Digital channels and grace period on loans; Bank issues: Closing branches and issues in paperwork exchange were the answers given by the participants. Most of the participants answered bank precautions. The government regulations in Qatar were so strict regarding the Covid-19 precautions- social distancing, wearing a mask, the number of employees and customers inside the bank branch- these regulations reduced the numbers of affected people by virus significantly in Qatar. According to that, the banking sector reduced the number of office employees to 30% only, and the remaining employees work from home.

Moreover, the number of customers inside the branch was reduced to 10%, and all the meetings are done online. These actions affected customers at the beginning of the pandemic, but soon they got used to it. Yetiz (2021), in his study titled *“The Effects of the COVID-19 Pandemic Process on the Employees and Customers of the Turkish Banking Sector: SWOT Analysis”*, found out that within the scope of the regulations made by the government, most of the bank-related activities of the customers can be carried out quickly only on the internet and digital media without the need to go to the branches, and it allows for the creation of safer systems in services. It has been determined that communication with the customers can be done securely on the online platform. The Turkish banking system revises its targets and policies according to the current situation by actively using the renewed technological applications. Thus, it continued to provide healthy and uninterrupted services to its customers (Yetiz, 2021). As seen in these two studies, it has been concluded that in addition to increasing social distance, the online platform has a positive effect on customer satisfaction, which increases the reliability of the bank staff in reaching customers and behaving.

In the question *“How has the banking service model evolved with Covid-19 and what changes have the bank taken to meet customers’ expectations?”* Service improvement: Online banking, mobile application, call centres and ATM machines; Bank offers: Wearable contactless gadgets, increased cards limits and western union transfers; Bank precaution: redesign the appointment process were the answers given by the participants. Most of the participants answered service improvement and bank offers. Furthermore, for the question *“In your opinion what developments should the bank adopt to improve its products and services?”* digital transformation: depend more on online services and mobile app, improve security on online services and facilitating access to services; services and offers: competitive rates, consider customers feedback, open ATM machines limits, increase call centre employees and updating service system were the answers given by the participants. Most of the participants answered digital transformation. Banks became digitized in most of their transactions and reduced the need for paperwork and customer presence. Services such as contactless cards, bracelets and pay utility bills can be done through online channels. All these improvements and services satisfied customers because they can now transfer money easily, get loans and pay bills remotely and no need to wait for long queues.

According to the results of Güler (2020) in her study titled *“Measures Taken in Private and Foreign Capital Banks During the Covid-19 Pandemic Period”*, as a support package for the economy, banks provided the postponement of the debts of actual and legal persons and went to restructuring for debts. They directed their customers to make transactions through digital channels such as mobile banking, internet banking, call centres and ATMs. However, no fee is charged for EFT transfer transactions made through digital channels, daily withdrawal limits at ATMs, and contactless transactions with cards have been increased. The frequency was ensured in the disinfection of branches and ATMs. ATMs located in heavily used areas were cleaned more frequently, among the measures taken by banks during the pandemic process. It is seen that they mainly direct their customers to digital channels for their transactions. It is seen that the limits for making transactions from ATMs have been increased. The limits for contactless

payments with cards have been increased. Money transfer transactions made through digital channels are carried out free of charge. Debt deferral requests are responded to for credit products as an economic support package. It is foreseen that the banks should adopt these changes and developments (Güler, 2020). It is seen that in the Covid-19 period, banks have adopted the speed of making transactions within their own structure, increasing the availability of mobile applications belonging to banks to more customers, increasing the services in call centres and providing services through digital channels in order not to lose customers and gain new customers, and this has a positive effect on customer satisfaction.

In the question *“What changes and improvements needed to be made on your main products to stay competitive during covid-19?”* Bank offers and campaigns: contactless cards, contactless bracelets, competitive interest rate loans, increased grace period and cash deposit cards for companies; Improved services: mobile application, improved online banking, face recognition app, and fingerprint app were the answers given by the participants. Most of the participants answered bank offers and campaigns. That shows the improvement of bank services and products such as reducing the Interest rate, increasing the grace period, cards becoming contactless, and mobile applications improved. These improvements and changes reduced the use of cash and mitigated the virus spread, which led to customer satisfaction and attracted new customers. Çengel, Pirtini and Çakıroğlu (2020), in their study titled *“A marketing-oriented approach on the restructuring of corporate governance and social responsibility strategies in businesses during the Covid-19 process”*. Concluded that banks gave up on overdraft interest rates, funds were reduced, loan interest rates were reduced, and loan repayment periods were extended. As it can be understood, banks created cash deposit cards, contactless cards, special contactless bracelets to keep the money flow between them and their customers stable. Furthermore, introduced them to the public by increasing their advertising campaigns and tried to show that they provide a service for the public.

In the question *“What procedures were taken by banks in order to reduce the cost in the short-term because of covid19?”* Cost-cutting; branches closures, employees benefits and salaries, employees retrenchment, employees rotation, pulled ATM

machines back and working hours; Service improvement: call centres, online banking system, and mobile applications were the answers given by the participants. Most of the participants said cost-cutting. The pandemic affected businesses in Qatar as many of them either closed or had difficulties paying salaries and bills to their customers. The banking sector, in particular, reduced its cost by closing branches, reducing the number of employees and staff allowances.

Furthermore, bank employees were assigned new scope of work and rotation between departments to cover the shortage of employees and ensure delivering the best service to customers. In the research of Nicola et al., (2020), "The Socioeconomic Implications of the Coronavirus Pandemic (COVID19)", it was determined that the first intervention should be financial support packages to strengthen health systems in the fight against Covid-19. As a matter of fact, after this package, most of the central banks of the G7 countries, especially the FED (0.5%), took action to increase the liquidity in their financial systems through a series of measures such as reducing their reserve requirements by lowering interest rates, creating temporary lending opportunities for banks and businesses, and easing credit conditions. In addition, national governments have adopted various fiscal measures to sustain economic activity. In general, these measures include direct payments to family members, temporary deferral of tax payments, an extension of unemployment insurance, and increased guarantees and loans to businesses (Nicola et al., 2020). In order to reduce the short-term cost of the banks during the Covid-19 period, it has been revealed that banks can reduce their expenditures by 30% or more by reducing the bank staff, transforming the personnel working in the call centres to serve the public 24 hours a day. Also, online platforms are used for the customers without ever coming to the bank in the meetings held online.

In the question "*What methods were used to attract customers to use internet banking over the traditional methods?*" promoting digital banking simplicity were the answers given by the participants. In order to attract customers to use internet banking, banks directed their customers to use the online channels to do their transactions. They refused to take any transaction that can be done remotely. Most of the transactions can

be done either through the online or mobile application. Banks started campaigns through social media to increase the awareness of using the new channels and how effective they are. In the study titled *“The Effect of the Covid 19 Pandemic on the Use of Digital Banking Products and Services in Turkey”*, Beybur and Çetinkaya (2020) revealed that the most critical factors affecting the use and adoption of internet banking are ease of use, convenience and efficiency. Those who use internet banking adopt internet banking because it saves time, is accessible 24 hours a day and is convenient and fast. Before the pandemic, some methods became popular during the pandemic period after the customers’ demands for internet banking of these services were seen (Beybur ve Çetinkaya, 2020). That shows that in addition to traditional methods, internet banking has shown that it can provide a fast service in the direction of direct marketing by organizing advertising campaigns through social media, which has increased the public’s interest.

In the question *“How could the banking service infrastructure handle the enormous customers shift toward using different online banking services?”* Digital infrastructure, system improvement and employees rotation were the answers given by the participants. Bank infrastructure was ready before the pandemic started. It was prepared to meet banks’ customer potential and increase product diversity. It is seen that they have never stopped the increase in service quality by activating these structures during the pandemic process and putting the online system into effect quickly, as well as the mobile applications that the customers can use with a one-time password.

In the question *“How did the bank acquire new customers during the Covid-19 pandemic compared to prior the pandemic?”* financing features: competitive interest rate and high liquidity in USD; Customers awareness: advertising through social media, word of mouth and rewards offers; services improvement: E-banking services, sent bank representative to companies, facilitated account opening and extended working hours were the answers given by the participants. Most of the participants’ mentioned customers’ awareness and financing features. Banks in Qatar attract customers in different ways. Each bank has its unique services and products. One of the banks provide its customers with foreign exchange currency, another bank attracts customers by its

reputation, and others by-product, offers and services such as mobile application, online services, loans with a low-interest rate and monthly prizes. Qatar is a small country. People can know about bank offers, services and products through social media campaigns or word of mouth. Yetiz (2021), *“The Effects of the COVID-19 Pandemic Process on the Employees and Customers of the Turkish Banking Sector: SWOT Analysis”*, another result of the research, is that banks tried to take measures one after another to solve the economic problem caused by the new type of coronavirus. Many steps have been taken in banking, regulatory practices regarding the working systems and hours of bank employees, new actions taken for existing and new customers, reorganization of branch locations to take into account the architectural, social distance, updating the infrastructure systems of banks for information and technology systems, health and hygiene practices and various financial to create innovations with the product. In addition, within the scope of the regulations, most of the banking activities can be carried out quickly only on the internet and digital media without the need to go to the branches. It allows for the creation of more secure systems in services. In all these, the increase in hygiene and short-distance facilities that were not realized before the pandemic showed that the customers’ reliability increased compared to the pre-pandemic period, and thus, more customers were sought (Yetiz, 2021). It is also seen that before and during the pandemic, reducing the interest rates on cards, making payments easily on the online platform, ease of payment on checks, ease of account and directing new customers to the forefront have enabled banks to gain customers.

In the question *“What are the retention strategies you adopted during the pandemic in order to prevent customers churn?”* improved services: alternative digital services, 24/7 services, bank cards and maintain service quality; financing features: competitive rates on deposits and loans, and competitive (FX) were the answers given by the participants. Most of the participants said financing features and improved services. As the retention of customers is essential, banks started to improve their services and provide customers with competitive rates on deposits and loans, provide their customers with contactless cards and treat customers as a family because of the pandemic’s challenging times. The result of the research of Yetiz (2021), *“The Effects of the COVID-19 Pandemic Process*

on the Employees and Customers of the Turkish Banking Sector: Swot Analysis”, it has been determined that the regulations made do not overload the banks and do not reduce the mobility of the banks. The regulations are made in a balanced way. Thus, banks fully fulfilled the functions expected from them during this epidemic and continued to support economic growth by rapidly financing investments and economic activities. In addition, it has emerged that the facilities in the pandemic period should be continued to increase the target audience by looking at customer satisfaction. Once the confirmation of the first coronavirus (COVID-19) case in Turkey in a laboratory environment. Turkey’s banking sector has quickly adapted to the changing conditions in the fight against the new type of coronavirus. As a result, it can be said that one of the sectors most prepared for the epidemic crisis the world is experiencing is the banking sector in Turkey (Yetiz, 2021). It can be seen that banks have lowered their finance rates to gain new customers with each other and not to lose old customers, they have started to issue credit cards with promotions, and this way has ensured that the number of customers increases or not.

In the question *“What customers’ penetration strategies did the bank use in order to reach customers during the pandemic?”* provide unique services, cross-selling and up-selling, word of mouth, advertising through social media, and qualified bank representative were the answers given by the participants. Qatar is a small country and is considered an advantage to banks, making it easier to reach customers. Social media helped banks deliver their offers and services through advertising and marketing campaigns. Beybur and Cetinkaya (2020), in their study titled *“The Effect of the Covid-19 Pandemic on the Use of Digital Banking Products and Services in Turkey”*, found that the number of active digital banking customers- in the September 2020 period- increased by 11.39% compared to the March 2020 period and by 9.52% compared to the previous period. In addition, the interest rates in bank transactions were reduced, providing more convenience to customers. During the pandemic period, banks sent SMS notifications to their customers and instructed them to use digital channels for banking transactions. In addition, customers preferred to do their banking transactions mostly through digital channels to avoid contact. It is thought that the number of active digital banking customers has increased as a result of these measures (Beybur ve Cetinkaya., 2020). It is seen that

banks increased their customer percentage through social media advertisements in order to increase their customers during the pandemic period and increased their customer potential by reducing open accounts and interest rates.

In the question “*What challenges did the bank encounter in order to reach its customers during the pandemic?*” regulatory compliance: branch closure, meeting customers face to face, reduction in the number of employees and reduce working hours; services complications: difficulties in an opening account, load on employees and delays in transactions were the answers given by the participants. The precaution procedures in Qatar have a positive impact on reducing the spread of the covid-19 virus, and it has been a challenging time from banks’ perspective. Banks were limited with a specific number of employees and a specific number of customers inside the bank. Moreover, at the first stages of the pandemic, the number of branches was reduced, putting more pressure on employees to organize the crowd and answer all inquiries. Thanks to the online channels and mobile applications, most of the issues were resolved. Tuna (2021) determined in his study titled “*Impacts of Covid-19 Pandemic on Turkish Banking Sector Employment*” that the first wave of the epidemic, the bans on going out, the restrictions imposed on specific age groups directly affect the relations of the banking sector with its customers, and the tendency of not coming face to face with the personnel working in the bank and their customers. In this context, banks increased the number of employees working from home by switching to a rotating working system in all service units, including the head office. In such a process, banks have increased the variety of services they provide in alternative distribution channels under the conditions permitted by law. Even traditional bank customers, who did not want to use channels other than branches, had to use alternative distribution channels while banks started to serve under extraordinary conditions. For this, it has been revealed that new personnel who will work online in call centres are recruited, and customers are tried to be reached via telephone communication (Tuna, 2021). It can be seen that during the pandemic period, banks hiring more experienced personnel in the process of contacting new customers and offering low deposits to companies using foreign exchange, as well as offering different promotions and special rates to large companies, have enabled banks to achieve positive results in terms of their survival.

Future Recommendations

In this context, banks are required to inform their customers more comprehensively about their measures. Furthermore, to offer opportunities that enable them to perform more transactions through the internet, mobile, or telephone banking, where the banking transactions are to be made faster, technical issues reduced, and physical contact is minimized.

Based on the Word Cloud Analysis, the below given conceptual framework was designed. It is recommended to apply this model for the change in customer expectation and to conduct research using it in future studies.

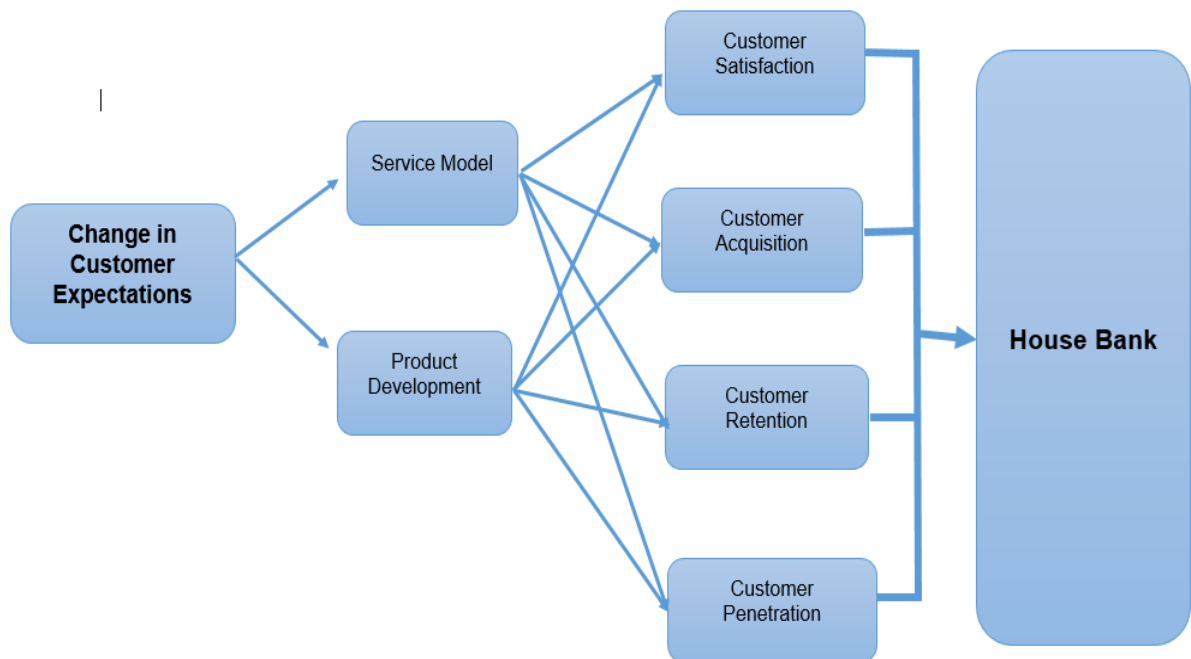


Figure 27. Research Theory

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