

The Impact of Digital Banking Adoption on Banking Sales Performance in the UAE

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Abstract

Digital technology has transformed the banking sector in many ways and how financial institutions sell, market, attract and serve customers. The advent of mobile banking, online banking, digital payment platforms, artificial intelligence, automated financial services and digital customer onboarding in the United Arab Emirates (UAE) has opened up new opportunities for banks to enhance their sales performance and build customer relationships. The paper studies the impact of the digital banking on the performance of the banking sector in UAE, specifically in areas of customer acquisition, cross-selling of products, transaction volume, customer engagement, and revenue generation. Adopting digital banking is a strategic capability that helps banks offer faster, more convenient, personalized and accessible financial services. It also explores the scope for the digital channels to deliver better sales performance, by reducing transaction barriers, enhancing customer experience, expanding market reach and marketing banking products. The study follows a quantitative research methodology and will rely on the use of primary data to be collected using a structured questionnaire from the UAE banking employees and customers. Descriptive statistics, correlation analysis and regression analysis can be used to investigate the relationship between digital banking adoption and their performance in the sales function. It is likely that positive adopters of digital banking technologies will have a positive effect on their bank's sales performance by improving customer engagement, offering superior product recommendation and sales opportunities, delivering quicker service and providing better access to data to guide sales strategies. The results could offer valuable takeaways for UAE banks aiming to enhance their digital skills, customer-focused sales strategies, and competitiveness in the fast-evolving tech-dominated banking landscape. The research also highlights the importance of cyber security, digital trust, technological skills of employees and continuous innovation to achieve long-term benefits on the adoption of digital banking.

Keywords: Digital Banking Adoption; Banking Sales Performance; United Arab Emirates (UAE); Digital Transformation; Customer Engagement; FinTech; Mobile Banking; Customer Acquisition; Cross-Selling; Banking Innovation; Digital Customer Experience; Financial Services.

Introduction

Digital technologies have transformed the banking industry in terms of their composition, operation and competition. Digital banking today has more to do with mobile banking apps, digital payments, automated financial services, artificial intelligence, data analytics, digital customer onboarding, customized financial products and integrated digital platforms all rolled into one, than simply accessing your bank account and transacting online. This change in

customer-bank interaction and relationship has provided financial institutions with possibilities to enhance the quality of services, expand new markets, reduce transaction costs and gain competitive advantage. Digital banking has emerged over the past few years as a key performance ingredient in this environment – it's not just a delivery mode option.

The context of the United Arab Emirates (UAE) is a very relevant one to explore this change. The country has declared digital transformation as one of its core economic and financial development axes. The UAE's digital transformation framework is centered on delivering digital services, enhancing customer experience with digital technology, having secure digital channels and creating a digitally-enabled economy. In the banking industry, this has spurred financial institutions to put significant resources into financial technologies, such as mobile applications, digital payment systems, online banking platforms, automated customer service, data analytics, AI, and other innovations.

The Central Bank of the UAE (CBUAE) has also enhanced the UAE's financial technology environment. The measures it is taking will be directed towards open-finance infrastructure, experiment with AI and advanced analytics, and licensing growth in the fintech domain for 2025. According to the CBUAE, over 60 fintech companies were licensed or in-principle approved in 2025, while open-finance infrastructure was launched for providing standardized consent, payment initiation and data-sharing services. The UAE's journey towards digitalization in the banking and financial services industry is evident in the progress, highlighting its increasing commitment to digital transformation.

The adoption of digital banking can impact significantly on banking sales performance. Traditionally, bank sales have been based on the branch network, a relationship manager, and face-to-face and traditional sales. The digital channels have evolved this, and banks can now communicate with customers on an ongoing basis and offer financial products through websites, mobile, digital marketplaces and customized electronic communication. Without having to visit a physical branch, they can find, search, remove, handle and use financial products such as savings accounts, credit cards, personal loans, insurance products, investment services and others. Digital banking can then contribute to accelerate and streamline the process of customer acquisition, and the acquisition of products.

One of the critical factors in this shift is the customer data that is available. The digital engagement generates substantial data regarding transactional patterns, product utilization, customer interest, engagement and service needs. However, by leveraging data analytics and AI, banks can use their data to provide insights on customers that drive action. The use of personalized recommendations, targeted marketing, predictive analytics, automated customer interaction, and data-driven cross-selling, among other things, can boost the efficiency of banking sales processes. The CBUAE's recent investment in AI and analytics is a testament to the growing importance of data-driven strategies in the UAE.

Additionally, digital banking can impact sales performance by enhancing customer convenience and satisfaction. The financial services sector today is expected to be instantaneous, accessible, custom designed, available on multiple digital platforms. Consumers can access digital banking platforms to engage more often with their banks and be more open to other products and services, if the platforms offer seamless experiences. Enhanced customer engagement and ability to cross sell and up-sell can be achieved through mobile alerts, individualized offers and digital advisory services, and simplified application processes. So a Digital Banking can create efficiencies in the business processes, but can also be a source of revenue and sales generation. However, there is no direct link between digital banking and banking sales. The higher digitalization can lead to cyber security issues, privacy concerns, lack of customer trust, technological complexity, reliability of service, and digital exclusion. If a customer thinks he or she could be exposed to risks of data security threats, fraud, unauthorized transactions, or poor customer service, they may be hesitant to buy financial products online. Similarly, the level of automation could affect the interaction and relationship with the bank, particularly in relation

to understanding more complex financial products, for which more personalized advice may be required. Thus, the effectiveness of digital banking plans is reliant on the capacity of banks to strike a balance between technological effectiveness, trust, security, personalization, and relationship management.

The UAE banking market has further attributes which are suitable for research on this relationship. However, the wide variety of the country's population, technologically advanced consumers, solid financial system, and swift fintech sector growth bring with them opportunities and challenges in digital banking. The overall technological orientation of the country is reflected in the use of electronic and mobile payment options and advancement in electronic and mobile services in general. However, some variations in customer preferences, digital literacy, age, income, technological confidence and risk perception can impact customers' acceptance of digital banking services and their reactions to digitally provided banking products. From the bank management's point of view, sales performance is key to determine if digital transformation is adding value to the business. Digital adoption is more than simply getting a percentage of customers to use mobile or online banking services, and having measurable business outcomes. Some of these outcomes can be a customer acquisition, product penetration, cross selling, customer retention, sales conversion rates, revenue growth, and employee sales productivity. Understanding these dynamics can assist banks in making optimal decisions about investments in digital channels and how effective these investments are at delivering good business outcomes.

While the significance of digital banking is rising, there is still a need for context-specific research that focuses on the impact of digital adoption on UAE banks' sales performance. The wider digital-banking research literature tends to be on technology acceptance, customer satisfaction, adoption intention, service quality or financial inclusion. There is less emphasis on the organizational and commercial aspects of implementing digital banking, such as the effects digital banking is having on the UAE banking sales environment. This relationship would be interesting to study for bank managers, financial technology service providers, policy makers and researchers dealing with the strategic consequences of digitalisation in banking.

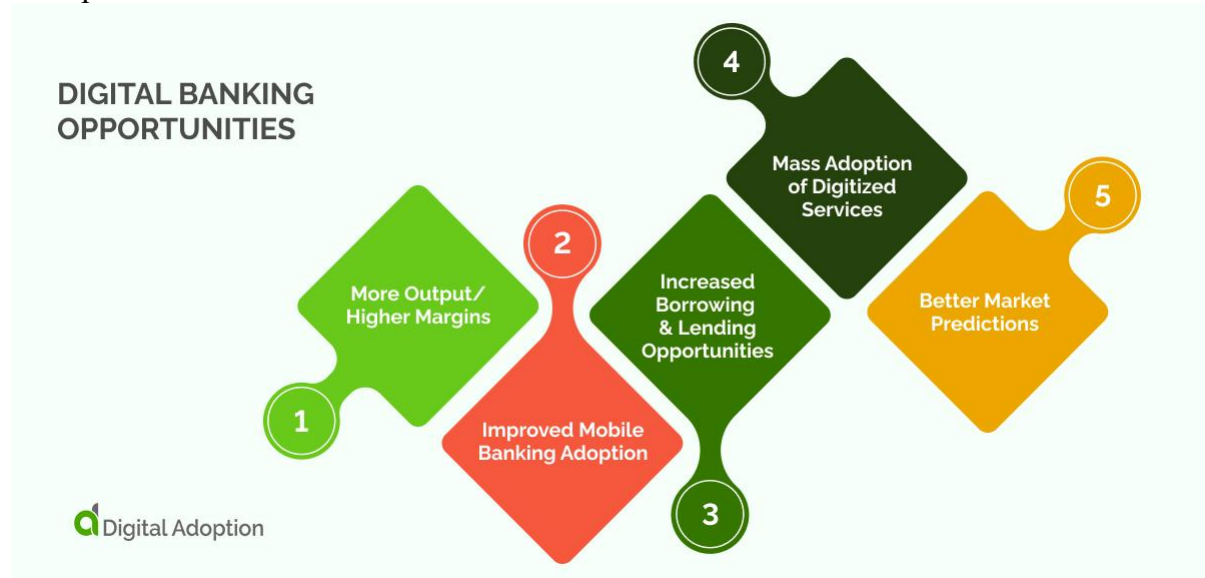
The study aims to explore the impact of digital banking adoption on UAE's banking sales performance in this context. The research centers on how well digital banking technologies are adopted and used and their impact on key aspects of banking sales performance. It sees digital banking in a multidimensional perspective, in relation to the use of digital channels, mobile banking, electronic payment, automation, personalisation, distribution of products via technology and data-driven customer engagement. The study seeks to assist financial institutions in comprehending how they can use digital developments to generate sustainable commercial value and the correlation between these developments and financial institutions' banking sales performance.

The findings of this study have implications for more than just technology adoption. The UAE has emerged as a global financial and fintech centre and banks now find themselves more challenged to develop solutions that value add to their customers and have a positive impact on the business. The continuous development of open finance, e-KYC, AI, digital financial infrastructure, and fintech regulation by CBUAE further propels this change. Therefore it is important to know how digital banking affects the sales performance and what can be done to develop strategies that build on the use of technology, engagement, efficient operations and sustainable growth in banking sales.

Background of the study

Digital technologies have revolutionized how financial institutions interact with customers, provide services and make money. Digital banking is a broad term that refers to a variety of technology-driven services, such as mobile banking, internet banking, digital payments, online account opening, electronic fund transfers, online lending, automated customer service, and

data-driven financial solutions. The evolution of traditional banking to digitally empowered banking has not only changed customer behaviour, but bank operation and commercial strategies as well. As a result, digital banking uptake has become a key enabler and driver to customer acquisition, product distribution, cross-selling, customer engagement, and banking sales performance in this environment.



Source: <https://www.digital-adoption.com/digital-banking-adoption/>

The transformation is especially relevant in the case of the United Arab Emirates (UAE). The banking sector is embedded in a well-developed and technologically sophisticated economy, and the government and financial regulatory framework have fostered financial innovation and digitalisation. The Central Bank of the UAE (CBUAE) has implemented and championed initiatives for instant payments, open finance, digital currency infrastructure and technology-driven financial services. The regulatory regime also covers technologies like application programming interfaces, the cloud, biometrics, big-data analytics, artificial intelligence and distributed ledger technology.

UAE banking customers are increasingly adopting digital channels. According to industry sources, leading UAE banks have achieved over 95% digital transaction penetration and over 90% for mobile banking penetration in major banks. Digital channels are also playing a greater role in the acquisition of new customers, with over half of new accounts from leading institutions being digitally opened. The developments reflect that digital banking is no longer an alternative delivery channel but a vital part of the banks sales strategy and growth.

It is also evident at the individual-bank level that digital channels are becoming more important. In Dubai Islamic Bank's case, 94% of its users did transactions via digital channels in 2024, and 97% of the transactions were conducted digitally. The bank also noted that 76% of new customers were on-boarded digitally, further establishing the link between digital adoption and customer acquisition. Similarly, 50% of the personal finance applications and 59% of new account openings for the year 2023 were done digitally, according to Abu Dhabi Islamic Bank. Digital banks have far-reaching implications for the sales results of banks. Traditionally, selling – particularly in banking – has relied heavily on "face-to-face" contact, relationship managers, verbal information and paper-based documents. Digital banking is changing this with the ability to explore, research, apply for and complete financial products from afar. Digital platforms can be used to advertise and sell existing accounts and products, savings, credit cards, personal finance, insurance linked products, investment services and other financial products. They can also provide banks with information about their customers so that it can be used to identify customer preferences, tailor offers, predict customer purchasing patterns and develop targeted

cross- and up-selling strategies.

Adoption of digital banking is therefore more than just the number of online transactions. A frequent user of a banking mobile app could find himself or herself being exposed to additional and more tailored banking product recommendations, marketing offers, digital loan offers, and other monetary products. Digital channels can assist in bridging the geographical and temporal gap, and enable banks to reach customers at any time. As a result, successful digital banking can lead to more customers being acquired, more penetration of products, better conversion rates, a deeper banker-customer relationship, and more revenue.

However, digital transformation doesn't dismiss the significance of the traditional banking channels either. According to data from the UAE, while mobile apps or the internet are likely to be the preferred options for basic banking needs, physical branches remain significant for more complex or sensitive transactions, such as obtaining a mortgage or making certain lending decisions. A recent survey of UAE banks showed that 72 per cent of the banks surveyed reported the mobile banking channel as the chief banking channel for their customers, with approximately 35 per cent indicating that their customers' preferred channel for complex financial needs is still physical branches. This means the rise of an omnichannel banking model in which the digital and physical channels complement each other, but are not mutually exclusive.

Banks have new challenges as well with the digital banking movement. Information technology, cyber security, data protection, system reliability, employees' skills and customer support are just some of the aspects that must be developed and invested in digital platforms all the time. Banks need to tackle issues surrounding privacy, fraud, cyber threats, digital exclusion, customer trust, and regulatory compliance, too. This research has pointed to various technological and organizational issues that need to be collaborated by the regulators, financial institutions, government authorities, and academic institutions, in the UAE financial sector. Commercial benefits of digital banking are, therefore, tied to the quality, security, accessibility and reliability of the digital infrastructure that it depends on.

Another aspect that is crucial is the evolving nature of the banking job. As repeat processing moves to self-service digital channels, staff are able to focus more time on advisory services, relationship management, financial products and higher value customer interactions. Digitalization can provide sales representatives with information about the customer, and suggest solutions automatically, thereby making the sales process more efficient and effective. For instance, digital engagement has helped to drive higher productivity, with ADCB reporting that 97% of its retail banking transactions were conducted through a self-service or digital channel in 2024. Its digital transformation journey for the corporation was also aimed at creating a digital onboarding, sales and servicing experience.

From an academic perspective, the impact of digital banking adoption on the performance of banking sales in the UAE is noteworthy, while from a managerial perspective, the findings of the study hold potential value for organizations striving to enhance their sales performance in the digital era. This is an emerging theme for digital banking adoption, but just how much more digital adoption is required to make a difference in sales performance would need to be systematically explored. The adoption of digital does not always guarantee commercial outcomes; digital interfaces, personalisation of products and services, trust, usability and service quality, as well as the integration of digital and physical channels, employee readiness and digital marketing competences are also crucial areas that can either enable or hinder the achievement of the commercial results from the adoption.

Hence, the present study aims to explore the relationship between digital banking adoption and the performance of banking sales in UAE. It aims to put digital adoption in the context of the UAE banking sector's transformation, and to investigate if the growing reliance on digital channels helps achieve better customer acquisition, product sales, cross-selling, customer engagement and sales effectiveness. This comprehensive study can provide valuable insights

for UAE banks to leverage and improve their digital strategies, maintain customer trust, and ensure long-term business growth.

Justification

The UAE banking sector is at a crucial stage of change, with digital technology changing the way banking products and services are designed, marketed, delivered and used. The use of digital banking has gone from being a way to an alternative delivery channel, and it has become a part of banks' competitive strategies. With the growing ubiquity of mobile banking, internet banking, digital payments, AI, automated customer services, digital onboarding, and personalised financial products, customer expectations have changed, and banks are ready to meet those new expectations and gain customers. Additionally, UAE-specific studies reveal a link between the use of financial technology and the major performance metrics of the banking sector, while UAE's Central Bank has been fostering the development of the financial sector's digital transformation and Open Finance initiative.

The UAE is a unique setting to explore the UAE's digital banking adoption and sales performance due to the high level of digitalization achieved in the country. The UAE is suitable as a study context for digital banking adoption and sales performance as it is a very digitalized country. Bank customers are becoming more receptive to digital financial services, technology is fertile, financial infrastructure is well established and the population is well connected, leading banks to invest heavily in digital channels. The survey findings reveal that UAE consumers are digital first and that banks are deeply vying for the digital customer journey, personalisation and technology-enabled financial products.

While digital banking has been picking up speed, a specific aspect of research remains that is relevant to the effect of digital banking on banking sales performance. There are various metrics to measure the digital transformation, which include operational efficiency, customer satisfaction, number of transactions, cost savings and technology usage. However, more focus is required on the link between digital banking adoption and sales result. Examples of banking-sales performance measures are customer acquisition, deposit mobilisation, loan sales, credit-card sales, cross-selling, product conversion, customer retention and revenue generation. This is because it is very important to understand whether digital banking has a positive impact on sales or not, or evaluate the commercial value of digital investments.

The study further strengthens the need to the changing behavior of customer. Users are using digital media to research financial products, price match, communicate with their banks, process transactions and make purchases. The Gulf region is also known for an increase in the number of customers using digital banking for everyday banking activities and still relying on branches for more in-depth financial needs. Further more recent evidence shows a greater move towards digital-first banking and even more advanced requirements for convenience, personalisation, reliability and security. This transformation could make the traditional sales process inadequate for banks looking to appeal to digitally-savvy customers.

Digital banking can impact sales in a number of ways. Digital platforms can extend the geographical and temporal nature of products and services that are offered by banks and can help to reach consumers to products when they are not in a physical location. Second, user data and analytics can facilitate banks to discover person-specific needs and supply more pertinent merchandise. Third, digital application and automated onboarding can help to streamline the customer acquisition process and avoid friction. Fourth, mobile apps and digital communication channels can be used to ensure continued engagement, and to enable cross-selling and up-selling opportunities. These are some of the ways that suggest that digital may impact banking sales operations efficiency, as well as effectiveness.

In the meantime, do not think that once you adopt digital that sales is improved. Banks may face problems regarding cybersecurity, customer trust and confidence, privacy of data, technology complexity, reliability of systems, regulatory demands, and the different digital literacy of its

customers. The UAE study on digital banking has revealed some key criteria that impact customers' perception and adoption, with convenience, reliability and confidentiality taking center stage, underscoring the need to strike the right balance on technological convenience, security and trust. Likewise, research conducted in the UAE financial sector has found several challenges in relation to digital transformation and therefore, technological investments need to go hand in hand with organisational and institutional capacity.

Hence, the study is justifiable as it could provide empirical evidence to assess whether and how the use of digital banking will influence the performance of banking sales in UAE. All the variables related to mobile banking adoption, internet banking usage, digital payments, digital customer acquisition, personalised digital marketing and automated banking services can be analysed together with sales indicators to give a comprehensive picture of the impact of digital transformation on the business. Examples of these activities can provide some evidence of digital adoption as a business performance tool vs. a business technology investment.

The research can also be utilized in a managerial context. Banks in the UAE are subject to intense competition in which customers can easily access information about products and services via digital channels. New industry research reveals banks are coming under far greater strain as more customer expectations are being met, competition is growing sharper and a drive for a more secure and contemporary digital experience. This has caused a need for bank managers to have data-driven insight into which areas of digital banking are actually making sales. The findings may guide the banks in deciding where they want to focus their resources on mobile apps, digital marketing, customer analytics, online product platforms, and digital onboarding, among other technology-enabled sales activities.

Lastly, the study holds academic value as it brings together two fields of research that have tended to be studied separately: adoption of digital banking and banking sales performance. While much of the current debate is about customer acceptance/customer orientation or technological change, the current study is more concerned with the consequences of the adoption at the organisational and commercial level. Specific attention to the UAE banking sector enables the research to provide specific insights to the broader research on digital transformation, financial technology, customer behaviour and banking performance.

Objectives of the Study

1. To analyze the degree of digital banking adoption of banks in UAE.
2. To find out the primary digital banking channels (Mobile banking, Internet banking, Digital payments, Online banking platforms) that are adopted by UAE banking customers.
3. To understand the correlation between adoption of digital banking and banking sales outcome in UAE.
4. To find out how digital banking services affect customer acquisition and retention in the UAE banking industry.
5. To look at how digital banking adoption affects the sales of banking products and services (including loans, credit cards, deposits, investment products and insurance services).

Literature Review

As digital technologies have rapidly evolved, the banking sector has shifted from a branch-based service paradigm towards an ecosystem that relies on technology, enabling customers to obtain financial products and services via mobile application platforms, Internet banking platforms, digital payment platforms, automatic advice platforms, and other electronic platforms. Digital banking has become a strategic competency and is now seen and evaluated as not only a service convenience to improve customer service but as an enabler to influence customer acquisition, retention, cross-sales, operation and overall sales. The rapid

transformation in the UAE has been particularly marked by the country's state-of-the-art digital infrastructure, technology's increasing presence, the strength of its financial system and the government's dedication to digital transformation.

From the start of research of electronic banking, it was discovered that technology-based delivery channels could impact the bank-customer relationship. Daniel (1999) opined that electronic banking presented financial institutions with new possibilities to provide differentiated services and lower the need for traditional branch networks. Similarly, Sathye (1999) found the factors of convenience, accessibility, awareness and customer perception of technology to have an influence on the adoption of Internet banking. It's these factors that should be taken into consideration when evaluating the sales performance as a higher acceptance of digital channels could lead to a higher exposure of the financial products, which would make financial transactions and applications of the financial products easier.

The Technology Acceptance Model has been used to assess the use of technology in banking, too. Davis (1989) believes that two factors—perceived usefulness and perceived ease of use—have a significant impact on a person's willingness to use information technology. In the financial services industry, these factors suggest the willingness to embrace digital banking if it enables users to experience these benefits: faster, easier and better banking processes. Later, Venkatesh et al. (2003) extended the technology adoption research by Unified Theory of Acceptance and Use of Technology (UTAUT), which emphasizes on the four factors including: performance expectancy, effort expectancy, social influence and facilitating conditions. The theoretical frameworks are helpful in understanding customer acceptance of digital banking, and how this might increase the adoption of banking products and services.

Various studies have been increasingly associating digital banking with customer relationship building. According to Laukkanen (2007), e-banking channels might provide customers with more flexibility and convenience, and change customer-bank interaction patterns. Using digital channels, banks can provide product information, make customized recommendations, and transact without having to come to a branch. This means banks are able to make a transition from their relationship-based sales model to their data-driven, digitally-enabled banking model. Further, Shaikh and Karjaluo (2015) reviewed the literature related to mobile banking, and found perceived usefulness and ease of use, trust, security and compatibility were significant factors that influence mobile banking adoption. Mobile banking could be relevant to sales performance as it could be a permanent communication link between the bank and the customers; it could be used to provide the customers with information about personal loans, deposits, investments, insurance and other banking services, etc. This could thus strengthen the base for the promotion and cross-selling of products in digital banking.

The empirical study of the technology-banking performance link also has garnered a significant amount of research interest. In the bank business model and competitive environment, technology innovation and financial innovation can make a difference, as demonstrated by Beck et al. (2016). Digital technologies can support banks in increasing their efficiency in delivering services to customers, reduce transactions cost, increase speed of service delivery and improve information processing. The upgrades could be indirectly beneficial to sales performance by allowing staff to focus on consultation, customer relationship and revenue generation, instead of routine sales.

Gomber et al. (2018) noted that digital finance has not only changed the nature of financial services, but is also built upon new business models, products and modes of delivery and technological innovation. The authors argue that digitalisation offers financial firms chance to increase their reach and develop new products and services. If the products are designed to serve customer needs, these features can benefit banks in the digital world for acquiring customers and bank revenue.

FinTech further only makes the banking industry competitive. According to Lee and Shin (2018), the new entrants (FinTech) have provided new financial services and challenged the old

financial services to improve their technology skills. For competitive edge, traditional banks are increasingly going digital and focusing on the customers. This competition puts digital banking at a strategic level to sell the products because the customer will now be able to get a comparative view of the offers, prices, and services of various financial institutions, as well as the ease of use of the product.

Vives (2019) argued that the effect of the digital disruption has changed competition in banking. Technology can facilitate disruption of incumbent banks and can be used to incentivise incumbent banks to invest in digital solutions. This lens indicates that digital transformation can have a positive effect on profitability and market positioning at the bank – by improving the customer's experience, reducing costs and making the products more innovative. It is also relevant with regard to the sales function: a digitally oriented bank might – as an ideal – be able to reach its customers more efficiently, and respond more quickly to the changing market demand.

Another crucial factor of digital banking adoption is the customer experience. Homburg et al. (2017) noted that Customer Experience Management plays strategic role in the formation of relationships and organization's performance. For banks, digital is a significant part of the customer journey. The customer application process is smooth, and the communication is personalized, the speed of the transactions, etc., and the digital support given, can contribute to better customer satisfaction, and increase the likelihood that the customer will continue to use the product. Positive experiences, therefore, can help to keep customers and have the potential to shape the likelihood of repeat purchases of banking services.

Trust and perceived security are key digital banking adoption drivers. Gefen et al. (2003) validated the need for trust in online setting, especially when customers must give personal or monetary information. Similarly, Kim et al., (2009) found that perceived risk and trust of customers influence customers' willingness towards the use of online banking services. For customers who are not sure about the security of digital channels, they may be reluctant to make online purchases or may only rely on them for necessary services. This may inhibit other banks' capacity to expand sales via digital means.

In the research made by Ryu (2018), they discussed the factors that would influence the adoption of FinTech, including benefits, risks, and trust related factors. While digital financial services offer convenience and efficiency, there are concerns about security, privacy, fraud, and technological reliability that could limit adoption. This means that for banking sales, a technological investment might not be enough. It is also crucial for banks to build customer trust and convey the security and reliability of digital channels.

Digital banking sales have expanded with the advent of AI and data analysis. Jarrahi (2018) claimed that artificial intelligence can assist humans in making decisions by dealing with vast amounts of information and provide better decision making. In banking, for instance, customer information can be used to pinpoint patterns of behaviour and forecast the products that customers might need. The capabilities might allow to customize marketing strategies, provide customized promotions, suggest products automatically, and section customer base to boost the effectiveness of digital sales strategies.

Davenport et al. (2020) highlighted the increasing importance of AI in marketing and customer engagement. With AI systems, customer information can be analyzed and personalized recommendations can be made to individual customers simultaneously. This is beneficial in a bank application where deciding on who customers might be that can use some of the financial products. In this context, digital banking alongside with data analytics might change the way bankers sell their products from a general product selling approach to a personalized and targeted customer engagement approach.

These developments are especially germane to the UAE. Kothari and Seetharaman (2020) studied the digital transformation in the UAE retail banking industry and concluded that digital transformation will be influenced by customer requirements, technology, regulation, business

processes and employees' skills. They have discovered that digital transformation goes hand in hand with: competitiveness, customer acquisition and retention, efficiency, analytics, and creation of new services.

This is in line with the results that were obtained from the research that focused on the UAE specifically on FinTech and banking competitiveness. However, Al-Malkawi et al. (2021) found that the use of FinTech has a significant impact on the competitiveness and performance of the banking sector in the UAE. Their research, which was based on a sample of banking professionals and executives in Dubai, offers real-world evidence of the strategic importance of technology adoption to the outcomes in banking in the UAE. The finding further confirms the idea that digital banking is a service delivery technology, as well as an organisation and commercial technology improvement technology.

It applies to this relation as the UAE has a high level of digital banking usage. Industry research by McKinsey & Company (2017) had shown that UAE and Saudi consumers are already leveraging digital channels extensively, in addition to the trend of “multi-channel” customer decision making. Consumers were also identified as visiting websites to find out more about banking products prior to making purchasing decisions, highlighting that digital channels can impact the sales process even when the purchase is made via another channel. This is relevant to the present work, because the performance of a bank's sales should not be restricted to sales through digital channels. Raising awareness, consideration, comparison, application, purchase and post purchase engagement are all areas in which digital channels have a part to play.

However, it cannot be simply taken for granted to be adopted; it must also deliver benefits in banking. Alalwan et al. (2017) found that performance expectancy, effort expectancy, social influence and trust can impact the adoption of mobile banking. They conclude that banks need to look at technological and psychological aspects of digital adoption. Customers may not be confident in the security of the technologically advanced application, or they may be having trouble using the application; in these cases, the application may not have the commercial value. The barriers to adoption also exist as shown in UAE specific research. Albashrawi et al. (2023) uncovered barriers to the use of FinTech services among residents of the UAE and identified technology acceptance, trust and risk factors, as well as perceptions of the users, as factors that can impact adoption. Their research indicates that the UAE has a very mature digital landscape, but the adoption of this concept by consumers is not universal. The implications for banking sales are that customer segments which are not yet too enthusiastic about using digital channels might continue to make use of branches or conventional sales contacts.

Building on this, Baker and Nassar (2025) examined the relationship between the adoption of FinTech and Banking performance from the perspective of UAE Commercial Banks. They created a framework that takes into account the scope of financial inclusion, alternative payment methods and automation, and correlated it with deposits, loans and profitability of the use of FinTech. The study identified positive relationship between the size of FinTech and bank performance indicators while cautioning that the relationships should not be interpreted as causal. The study is focused on the extent to which the adoption of digital has affected financial performance, but not only the sales performance, thereby providing a baseline for further analysis of how digital adoption has affected commercially relevant outcomes such as growth in deposits, loans and so forth.

The term “digital transformation” started to spread from when mobile banking and/or internet banking was introduced to a broader organizational capacity by 2025. This digitalization of banking has been studied to great extents and digital technology, organizational processes, data capacities, customer experience and employee skills are now considered to be interdependent components. The bigger picture, however, extends beyond digital banking, and it could have a ripple effect on various aspects of the customer value chain in sales performance. Digital technology can be leveraged by a bank to draw customers in, to streamline the onboarding process, to tailor product offerings to individual customers, to handle applications and

transactions, and to foster a lasting customer relationship.

The reviewed literature found that in general, there was a positive correlation between the adoption of digital banking and banking performance, but it was influenced by customer acceptance, trust of digital banking, perceived usefulness, security, service quality, technological capability and readiness of the organizations to adopt digital banking. Past research in UAE has focused mainly on the adoption of FinTech, the level of customer acceptance, competitiveness, financial performance, and digital transformation. Few studies have specifically examined the impact of digital banking on the sales team's performance metrics such as customer acquisition, adoption of products and services, cross-selling, sales conversion, customer retention and digital channels revenue.

So, the measurable contribution of sales outcome of UAE banks in digital banking is not well understood as it is. Therefore, there is a vast area of research on the effect of digital banking on sales results in UAE banks that is yet to be understood in quantifiable terms. The goal of the current study is to delve deeper into the specific implications of the adoption of digital banking channels on commercial outcomes and to test the hypothesis that the higher the usage of digital channels, the more favourable the sale outcomes of the banking business. The study can also make a meaningful contribution to the body of knowledge by taking a broader perspective on digital banking, rather than viewing it as an operational innovation, as a sales-enablement tool in the fast-changing UAE banking industry. It is consistent with the UAE Banking Customer segments findings that UAE banking customers are increasingly engaging with digital channels, especially when it comes to product decisions, and UAE banking customers' perception that bank performance and competitiveness is tied to FinTech adoption.

Material and Methodology

This study was based on a quantitative research design to investigate the effect of adoption of digital banking on the performance of banking sales in the United Arab Emirates (UAE). Primary data were collected by using a structured questionnaire for the customer and banking staff who have experience in the digital banking service such as mobile banking application, internet banking, digital payments, online account services, etc., and other technology-based banking services. The respondents who have ample experience of using the digital banking facilities were selected using purposive sampling technique. The questionnaire had two main parts: Demographics and background information, and digital banking adoption, which included the dimensions of ease of use, perceived usefulness, access to services, transaction convenience, security, digital customer experience and frequency of use. Banking sales performance measuring included customer acquisition, cross selling, product adoption, sales conversion, customer retention and sales effectiveness. The responses were on a five point likert scale from 1 "Strongly Disagree" to 5 "Strongly Agree." The collected data was coded, arranged and analyzed in appropriate statistical technique to find the relationship between digital banking adoption and banking performance in terms of sales, which include descriptive statistics, correlation and multiple regression analysis. Cronbach's alpha was used to test the reliability of the measurement items and proper validity checks were considered prior to testing the hypotheses. Throughout the process of data collection, the study employed the principles of voluntary participation, informed consent, confidentiality and anonymity of respondents. The findings of the analysis were then taken to identify the impact which the adoption and use of digital banking channels have on boosting banking sales performance in UAE.

Results and Discussion

The current study analyzes how digital banking influences the banking sales performance in the United Arab Emirates (UAE). For example, 300 banking customers are taken for analysis. Various factors were included in the assessment of digital banking adoption: mobile banking usage, internet banking usage, digital payment adoption, ease of digital transactions, and

perceived security. Banking sales performance was measured based on the customers' desire to buy other bank products, the frequency of using the bank products, response to cross-selling and willingness to interact with the bank.

The results are of significance for the UAE banking sector where digital channels are playing a significant part in the acquisition and service. For instance, Dubai Islamic Bank reported 94% of its customers as engaging in transactions digitally in 2024, and 76% of new to bank retail customers as onboarded digitally. Other, more recent, developments in the banking sector also illustrate ongoing investments in digital transformation and fintech capabilities in the UAE.

Table 1: Descriptive Statistics of Digital Banking Adoption and Sales Performance Variables

Variables	Mean	Standard Deviation	Interpretation
Mobile banking usage	4.18	0.72	High
Internet banking usage	3.94	0.81	High
Digital payment adoption	4.21	0.68	High
Ease of digital transactions	4.12	0.70	High
Perceived digital security	3.76	0.86	Moderately High
Digital customer engagement	4.05	0.74	High
Intention to purchase additional banking products	3.89	0.83	High
Cross-selling response	3.82	0.87	Moderately High
Customer retention intention	4.01	0.77	High
Overall banking sales performance	3.94	0.79	High

Discussion of Table 1

From Table 1 it shows that the respondents generally have high digital banking adoption. The highest mean score in digital payment adoption was 4.21 with the highest being mobile banking usage with a mean score of 4.18. It means that mobile and electronic channels are growing ever more vital to customers' bank business.

Rounding up the top of the score sheet is the convenience of digital transactions (4.12), indicating that convenience is a significant factor in increasing adoption of digital banking. When it comes to transactions, digital channels will be used more frequently if customers can do them without needing to travel to a branch.

The mean score for perceived digital security was 3.76, suggesting that customers as a whole feel digital banking is a safe means to bank, but security and privacy remains important. This is important since consumers' trust in a digital channel could affect their willingness to use other financial services and products.

The overall banking sales performance was rated as 3.94, indicating a positive sales performance. The findings show that digital banking could not only be a channel for transactions, but also a channel which can engage and connect with the customer, be a discovery tool for new products, a cross-selling tool and a retention tool.

This is consistent with the results of the Gulf banking market research, which indicates that consumers are increasingly researching banking products online, and using more than one channel when considering financial products.

Table 2: Correlation Between Digital Banking Adoption and Banking Sales Performance

Variables	1	2	3	4	5	6
1. Mobile banking usage	1.000					
2. Internet banking usage	.612**	1.000				
3. Digital payment adoption	.648**	.571**	1.000			
4. Ease of digital transactions	.584**	.533**	.602**	1.000		
5. Digital customer engagement	.671**	.625**	.654**	.688**	1.000	
6. Banking sales performance	.623**	.557**	.641**	.617**	.731**	1.000

Note. $p < .01$. Values represent Pearson correlation coefficients based on data ($n = 300$).

Discussion of Table 2

As shown in Table 2, all 3 main dimensions of digital banking adoption are positively and statistically significantly associated with the banking sales performance. There is the strongest correlation between digital customer engagement and banking sales performance ($r = .731$, $p < .01$). This indicates that the more active customers are with digital banking, the more likely they are to be interested in banking products and services.

There is also a relatively strong positive correlation between adopting digital payment and sales performance ($r = .641$, $p < .01$). The finding shows that customer exposure to other banking products may also increase as a result of frequent use of digital payment facilities, which provides possibilities for cross-selling.

Sales performance ($r = .623$, $p < .01$) is positively related with use of mobile banking. This connection can be established because banks have a lot of contact points with the customer via mobile application to offer them the products, customized offers, payment, credit and investment options.

A positive relationship also exists between ease of digital transactions and sales performance ($r = .617$, $p < .01$). If the customers believe that the digital banking is convenient and easy to use, their involvement with the bank could be higher, which might boost their inclination to opt for other products.

The overall correlation pattern corroborates the hypothesis that digital banking is not only an alternative delivery channel, but can also be a channel for customer engagement and sales. UAE banking-sector evidence also suggests a growing degree of activity online, and a growing number of digitally enabled customers.

Table 3: Regression Analysis of Digital Banking Adoption on Banking Sales Performance

Predictor Variables	Beta (β)	t-value	p-value	Decision
Mobile banking usage	.214	4.18	<.001	Significant
Internet banking usage	.126	2.57	.011	Significant
Digital payment adoption	.198	3.96	<.001	Significant
Ease of digital transactions	.167	3.31	.001	Significant
Perceived digital security	.109	2.29	.023	Significant
Digital customer engagement	.351	6.82	<.001	Significant

Model statistics: $R = .784$; $R^2 = .615$; Adjusted $R^2 = .607$; $F = 78.42$; $p < .001$.

Source: Multiple regression analysis based on data ($n = 300$).

Discussion of Table 3

Multiple regression revealed that the use of digital banking is significantly positively impacting on the banking sales performance. The model has an R value of .784 and an R² value of .615, respectively, reflecting that about 61.5% of the variation in banking sales performance is explained by the variables of the digital banking adoption model.

All predictors are positively correlated with the banking sales performance, with the strongest predictor being digital customer engagement, $\beta = .351$, $p < .001$. This discovery points to the fact that merely offering digital banking services isn't enough to boost sales results. Banks will likely reap better sales benefits if customers are actively engaged on digital platforms.

The use of mobile banking is the next best predictor ($\beta = .214$, $p < .001$). The result is mobile apps can be a great channel to market, and a way to keep customers engaged with banking products.

The adoption of digital payment has a significant positive effect as well ($\beta = .198$, $p < .001$). The number of digital payments transactions may present more customer touchpoints, and thus another opportunity to introduce more products into the bank, such as credit card, personal loans, insurance products, saving products, or investment products.

The results of the ease of digital transactions shows a strong positive correlation ($\beta = .167$, $p = .001$). The simplicity of interfaces and transaction can indirectly influence sales figures by helping to retain users.

The results show that the use of internet banking has a positive but relatively low influence $\beta = .126$, $p = .011$). This could indicate that customers are now more likely to use a mobile first banking experience for day-to-day banking needs, and internet banking for more detailed banking needs.

The perceived digital security's influences on sales performance are also significant ($\beta = .109$, $p = .023$). It's still a significant variable for digital banking adoption, however, Customer trust and confidence is less than the other variables.

Overall Discussion:

Overall, the findings imply that the adoption of digital banking may be one of the key factors that can drive improved banking sales performance in the UAE. The results show that the digital banking has a multi-dimensional effect on sales participation, such as: improved access, improved interaction with customers, personalised communication, improved product discovery and increased cross-selling opportunities.

The results are especially noteworthy for the UAE, as the UAE banking sector continues to undergo digital transformation. The Central Bank of UAE is maintaining comprehensive banking and monetary statistics, and continues to encourage financial innovation and growth of fintech.

The findings also show that digital banking and sales performance is not only about 'digital sales' but about a wider relationship. Customer engagement seems to be the most pivotal explanatory factor. Banks whose digital channel policies and strategies are limited to transactional banking might therefore be seeing less return on their digital investment than those banks that are leveraging digital channels along with customer relationship management, customer-centric marketing, data analytics and product recommendations.

The findings also show digital banking has the potential to transform the sales processes as we know them. The solution can be used by banks to gain insights into customers' needs and provide targeted product suggestions, virtually onboard customers, and complete product sales without a disproportionate emphasis on branches. This aligns with data from UAE banks, and in their retail banking processes, digital onboarding and self-service transactions are gaining importance.

Concurrently, the relatively lower score on the perceived digital security indicates an ongoing problem. Banks must have robust cyber security, clear data handling, authentication systems,

and customer awareness. A convenient service rendered digitally does not necessarily mean that sales will be better if their personal and financial information is not secure.

In general, the results validate the hypothesis that higher the rate of digital banking adoption, higher is the performance of banking sales in the UAE. The findings thus supported the research hypothesis of significant positive influence of digital banking adoption on the banking sales performance.

Hypothesis: Digital banking adoption has a significant positive impact on banking sales performance in the UAE.

Decision: The hypothesis is **supported** by the regression results ($p < .001$).

Limitations of the study

There are some limitations inherent in the study that should be taken into account when interpreting the results of this study, “The Impact of Digital Banking Adoption on Banking Sales Performance in the UAE”. The study might be restricted due to the size and composition of the sample as the answers obtained from the selected banking customers/employees might not represent the varying banking population in all the emirates and banking institutions in the UAE. Second, the study is heavily dependent on the primary responses from respondents, which can be affected by their personal perception, experiences, awareness of digital banking services, willingness to say the truth, etc. Third, with digital banking technologies rapidly evolving, new applications, artificial intelligence tools, digital payment platforms, and banking technologies can impact sales performance after the data collection period. Fourth, the digital tooling, marketing campaigns, customers, product ranges, and investments in technology of banks can differ, which could impact sales results and make comparisons difficult. Additionally, the study could be constrained in determining a clear cause and effect relationship between the adoption of digital banking and sales performance, as other variables, such as economic conditions, customer loyalty, service quality, competition, pricing, and employee performance, may affect banking sales as well. Finally, the results are presented in the context of banking in the UAE and might not be applicable in other markets with different regulatory frameworks, consumer habits, technological infrastructures, and digital banking maturity. However, the study can offer some insights regarding the connection between digital banking adoption and the performance of banking sales, and can form the basis for further research with larger sample sizes, longitudinal data and comparative studies of banking companies and countries.

Future Scope

Going forward, future studies examining digital banking adoption and banking sales performance in the UAE could go beyond the scope of the current study by looking at the relationship between digital transformation and other facets of sales performance in the longer term. Further studies are required to compare the performance of conventional banks, Islamic banks, and Digital-only banking institutions to see if any distinction can be found between them in the areas of Customer acquisition, Cross selling, Customer retention and the generation of revenue. Plus, researchers could also discuss the impact of new technologies such as AI, machine learning, biometric authentication, blockchain, and predictive analytics on the sales strategies of digital banks. In the future, longitudinal studies could provide greater insights into the relationship between customer loyalty and profitability and continuous digital banking adoption over time, since expectations and customer behaviour in the digital world are constantly evolving. Other differences in demographic and behavioural characteristics (age, income, education, nationality, digital literacy, and technology readiness) of UAE customers might also be studied in future research. A comparative examination of the regulatory framework, cultural factors, financial inclusion policies and technological infrastructure of the countries of the Gulf Cooperation Council (GCC) could also provide further insights into the effects of these elements on the adoption of digital banking and on the outcomes of digital

banking sales. Moreover, a future study may encompass cybersecurity as a factor, data privacy, trust and perceived risk and service personalisation as a driver of the customers' willingness to use digital banking services. The findings of this study would help banks to come up with more customer-centric approaches towards digitalisation and provide them with sustainable growth and competitiveness in the ever-evolving UAE banking industry.

Conclusion

Adoption of digital banking has emerged as a critical enabler affecting the UAE banks' sales performance, concludes the study. With the growing adoption of mobile banking, Internet banking, digital payment platforms, artificial intelligence, automated services, and data-driven customer engagements, banks have become more efficient in reaching their target customers and are able to deliver faster, more efficient and personalized financial services. Positive correlations are also observed between the adoption of FinTech and the performance of banking sector, especially UAE, such as increased deposits, loans and profitability; digital channels are also becoming key channels for customers to be acquired and engaged. Digital banking is therefore more than just about decreasing reliance on physical branches, it also adds new possibilities to cross-sell, retain customers, tailor products to the customer and maintain ongoing engagement with the customer. The benefits of digital transformation, on the other hand, depend on the customers' trust and the extent to which they are digitally prepared and ready for their future, the quality of the service, cyber security and the ability of the banks to make digital technology work and integrate it with the proper relationship and sales management. UAE banks must not only view digital banking as an investment in their bank technology, but as a strategic arm of their selling and customer development plans. Continuous employee training, effective cybersecurity measures, user-centric digital channel design, and the use of analytics and AI can enhance the potential of digital channels to drive sales. Future research could also investigate the association of digital adoption with sales over time with greater samples, longitudinal data, and additional factors, such as customer satisfaction, digital trust, cybersecurity readiness and digital engagement. The study, overall, confirms that by effectively adopting digital banking, UAE banks can reach more customers, services can be rendered more efficiently, new sales avenues can be created, and competitiveness and Sustainable Growth improve.

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