

Issues of Implementing Bank Innovations and Improving the Bank Ecosystem in Increasing the Competitiveness of Banking Services

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Abstract

According to the research, the innovation is the development of the entire banking system, as well as the minimization of costs through the use of a single digital platform and the new bank when presenting products to customers. It is important for the formation of strong cooperative relations. The article examines the problems of introducing innovations in increasing the competitiveness of banking services and their solutions.

Keywords. Fintech, ecosystem, innovation, banking services, smart banking, cross-channel.

Introduction

Two priorities can be noted within the trends of transformation of banking activities in the context of digitalization: one of them is the development of new banking products created and offered on the basis of digital technologies, and the second direction is to strengthen cooperation with companies operating outside the banking sector and jointly offer non-traditional banking products to customers. means to present.

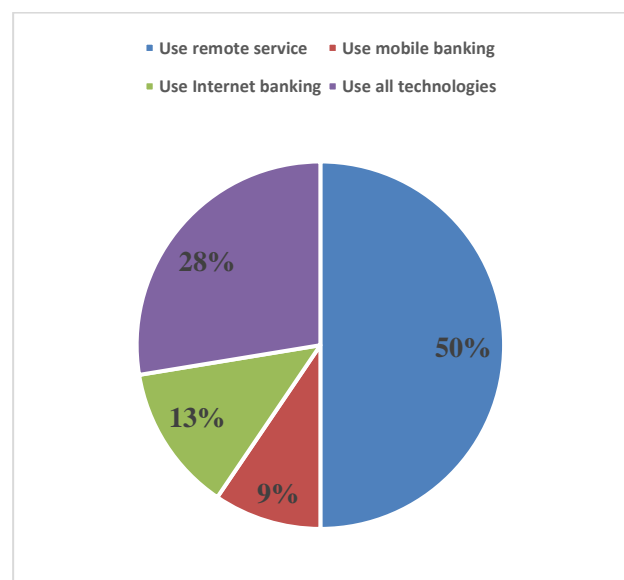
As a result of global economic changes, measures are being developed to ensure the stability of the banking sector of our country, to expand the scope of innovative banking services provided by commercial banks, and to integrate digital technologies into banking operations. As a result, the indicators of the banking system are showing increasing trends.

The impact of innovations on various organizational functions and the level of their implementation varies depending on the orientation of the organizational-economic system to the implementation of innovations. In general, the impact of innovation on the organization and its activities can be generally reticulated. As a result of the reasonable introduction of innovations into the banking system, it is possible to achieve positive achievements in the activity of commercial banks and to improve the organizational and economic system. This indicates that the issue of introducing innovations in banks and forming the banking ecosystem is one of the urgent issues of today.

Analysis and results

Changes in the use of innovations by commercial banks and companies operating in a certain field of financial services offer banking and non-banking services to a wide range of customers.

Some economists have noted the need to strengthen cooperation with customers and counterparties to create a digital business environment in the banking system. A digital banking ecosystem based on cross-channel formation envisages the creation of a single platform for solving problems.



Pic 1. Indicator of use of remote banking services by customers (in percent)

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In the process of digital transformation of the economy, in order to expand innovative products and services in the activities of commercial banks, to strengthen mutual relations with customers, to independently search for customers and to widen their base, to introduce specialized services aimed at meeting their needs, to provide modern innovative products to customers through cooperation with companies operating in the field of financial technologies. It is necessary to use directions such as

The above trends require the development of innovative measures based on the bank's development strategy, the successful application of innovative digital technologies in the banking system.

In the process of transforming the activities of commercial banks, there are ways to present innovative products to customers, such as further activation of the introduction of innovative products and introduction of digital innovations into the business model (creating a banking ecosystem). The formation and improvement of the cross-channel banking system will have a positive effect on the transformation process of commercial banks.

In the process of digital transformation of the banking system, measures to create and present innovative products based on the needs of customers will strengthen the integration of the banking ecosystem into the digital ecosystem.

It is necessary to create and improve the digital ecosystem in commercial banks, to strengthen mutually beneficial relations with customers and counterparties, and to present new innovative products to customers. In this case, successful implementation can be achieved through the transition of all users of the ecosystem to a single digital program created on the basis of current cross-channel financial technologies of commercial banks. Innovative services used in the activities of commercial banks can be created through independent cross-channel information technologies using robotics and artificial intelligence technologies. As a result, it is possible to improve the quality and convenience level of existing banking services, to minimize service costs and possible financial risks.

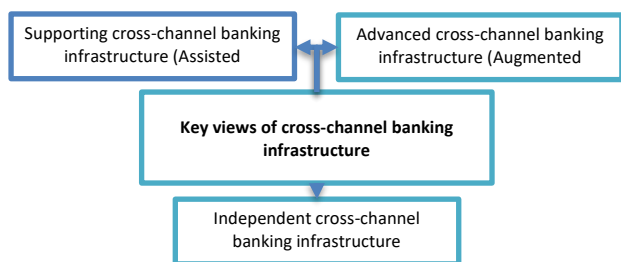


Fig 1. Key views of cross-channel banking infrastructure

As a result of the use of artificial intelligence technologies in banking activities, it is possible to advise clients, effectively manage financial risks, and make decisions in

the process of choosing investment and credit products. Types of cross-channel banking infrastructure such as assisted, augmented and autonomous are widely used in international practice.

There is a high demand for the introduction of an open banking system in the activities of commercial banks in developing countries. In the conditions of digital transformation of the banking system, it is necessary to pay attention to increasing the competitiveness between the platforms serving the system, ensuring security in terms of protection against risks arising in the process of data exchange and service use. Therefore, it is desirable to widely introduce digital technologies in the banking system in order to increase the level of confidentiality and security of financial information related to the bank's operational activities and information on the status of transactions carried out in customers' accounts.

In the conditions of digitization of the banking system, the formation of the banking ecosystem should be based on the provision of innovative products to customers and the use of artificial intelligence systems.

In our opinion, the situations and trends discussed above can cause serious problems for traditional banks. Including:

1. The wide development of innovative services based on digital technologies in commercial banks affects the prices of services provided by banks and the process of competition and the infrastructure of banking services in general. This situation requires strengthening information security in the banking system;
2. Through the introduction and development of cross-channel banking infrastructure, the scope of remote and electronic payment services will be expanded. As a result, instead of traditional banking services, a digital banking ecosystem is created that is convenient for customers to use;
3. The expansion of the scope of use of digital technologies in banking services and the wide development of innovative banking services, the introduction of the Open Banking model will strengthen the cooperation of banks with Fintech companies, this situation requires the development of the regulatory system, because in the face of global threats, risks will arise in the domestic market of banking products and services. possible

The trends inherent in the development of digital financial services require the digital transformation of the banking system. In this process, financial technology companies, commercial banks and other financial service providers will try to strengthen mutual cooperation to develop innovative services, reduce operating costs and improve data security, as well as expand customer-oriented services.

The main principles of ensuring the transformation of the banking system in the conditions of the digital economy and the formation of a modern architecture of financial services can be expressed as follows. Including:

- Ensuring the transparency of legal relations related to the process of providing services to clients, introducing strict reporting standards for the banks' activities and increasing the level of transparency in setting prices in line with the market conditions;
- Improvement of the customer authentication system by the bank and ensuring security;
- Improving the system of remotely managing and using accounts, speeding up transactions made by customers.

By introducing innovative technologies into the banking system, cross-channel banking infrastructure and remote banking services will develop, but will lead to the emergence of various risks for the banking system. Taking into account these trends, commercial banks should improve their business strategies in order to use the opportunities in a timely and efficient manner. As a result, there will be opportunities to improve relations with customers, improve the banking ecosystem, and increase the level of competitiveness in the market of banking products and services.

Conclusion

In the conditions of digitization of the activities of commercial banks, the regular improvement of innovative banking products leads to an increase in competitiveness with Fintech companies and deepening of cooperation with customers.

In our opinion, as a result of the development of the cross-channel banking infrastructure, the competition between banks and Fintech companies will increase, and strategic directions for assessing operational risks will be developed in the banking system.

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