

THE ROLE OF DIGITAL TECHNOLOGIES IN IMPROVING THE BANKING SERVICES MARKET

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ABSTRACT

This article analyzes the role of digital technologies in improving the banking services market. It highlights the opportunities for improving the quality of banking services, creating convenience in servicing customers, and ensuring the competitiveness of the banking system through the introduction of modern digital solutions. During the study, real examples of the introduction of digital technologies in the banking sector of Uzbekistan were given, and foreign experience was analyzed. Also, suggestions and recommendations were made for the further development of this sector in the future.

Keywords: banking services, digital technologies, banking system, financial innovations.

INTRODUCTION

The banking market has undergone a fundamental transformation in recent decades due to the widespread introduction of digital technologies. Traditional, paper-based and branch-based forms of service delivery are being replaced by digital services that are fast, convenient and remotely managed. Advanced technologies such as mobile banking, internet banking, artificial intelligence-based service systems, big data analytics and blockchain are allowing banks to radically improve the quality of customer service.

The introduction of digital banking services not only creates convenience for customers, but also expands the possibilities of banks to automate their work, reduce costs and offer new services. At the same time, important issues such as cybersecurity, personal data protection and training of qualified personnel are emerging in the process of digital transformation. The development of the banking system in Uzbekistan based on digital technologies has become one of the priorities of state programs and banking policy in recent years. The financial services market is becoming more inclusive and efficient through digital transformation, contributing to economic growth and competitiveness.

The introduction of digital technologies has had a significant impact on the efficiency and quality of banking services. The process of providing customer service has significantly accelerated: with the help of mobile banking and internet banking, the average service time has been reduced by 40%, and queues at bank branches have decreased. This has helped to

increase the level of customer use of banking services and significantly improved the level of customer satisfaction.

Banks' operating costs have also been significantly reduced thanks to digital technologies. Traditional paper-based workflows, as well as time-consuming manual operations, have been automated through digital platforms. As a result, banks' overall costs have been reduced by an average of 25-30%, and resources have been managed more efficiently.

The introduction of big data and artificial intelligence technologies has created new opportunities in assessing and managing credit risks. In the lending process, advanced analytical models have been used to more accurately assess the financial condition and repayment ability of customers. This has helped to improve the quality of the loan portfolio - analyses show that the timely repayment of loans has improved by 15-20%, which has strengthened the financial stability of banks. The customer base has expanded with the help of digital platforms. The younger generation, a technology-savvy audience, and business customers are actively using mobile and online services. This has created opportunities for banks to enter new segments. At the same time, banks have introduced modern cybersecurity measures to protect customer data. However, the risk of cyberattacks is always present, and banks are required to constantly update their security systems.

As an additional result, digital technologies have expanded the range of services and created the opportunity to create individual banking services for customers. For example, personalized financial advice, automatic budget monitoring, and online investment platforms are actively used.

Digital technologies not only increase the speed and convenience of banking services, but also allow them to expand their scope, reduce operational costs, and ensure financial inclusion. To do this:

First of all, the banking infrastructure should be updated based on modern information and communication technologies. Cloud technologies, blockchain, artificial intelligence and automated process management systems play an important role in increasing the efficiency of banking operations. For example, through chatbots that automatically process customer requests, risk detection algorithms or real-time payment systems, banks can significantly improve the quality and speed of their services.

The second important direction is the development of digital payment systems. Services such as mobile banking, internet banking, QR code payments, electronic wallets and contactless payments are becoming increasingly important for consumers of banking services. In developing countries like Uzbekistan, these technologies are creating opportunities to attract remote areas of the population to the financial system, that is, to expand financial inclusion.

It is also possible to provide banking services 24/7 by expanding the network of ATMs and infokiosks, enriching them with universal functions (for example, obtaining account

information, making money transfers, accepting various payments). This will create greater convenience for customers and increase the operational efficiency of banks.

The third area is ensuring digital security. With the expansion of digital services, cybersecurity threats are also increasing. Therefore, banks need to develop and implement strong information security policies. This includes protecting customer data, encrypting transactions, implementing two-factor authentication, and implementing malware detection systems. Digital trust is the foundation of the bank-customer relationship.

The widespread introduction of digital technologies in the banking services market is showing clear positive results. First of all, the services provided to customers have become faster and better in quality. Thanks to mobile and Internet banking services, the need for customers to visit the bank has significantly decreased, which has become especially important in the context of the pandemic. For banks, digital transformation has allowed them to reduce operating costs and use resources more efficiently. This helps to increase the competitiveness of banks.

The use of artificial intelligence and big data analytics in credit risk assessment has helped banks strengthen their financial stability while providing better customer service. This is an important factor in improving the quality of their loan portfolio. At the same time, the level of customer utilization of banking services has increased through personalized services, which has led to an increase in bank profits.

However, cybersecurity issues remain a significant challenge in the process of digital transformation. For banks, protecting data and protecting against cyberattacks is a priority, which requires attracting highly qualified specialists and implementing modern security systems. At the same time, the development of the country's digital infrastructure and the digital literacy of customers also play an important role in the successful implementation of this process.

The digitalization of banking services in Uzbekistan is one of the areas supported by the state, creating opportunities for increasing financial inclusion, developing small businesses and private entrepreneurship, which contributes to sustainable economic growth.

In general, digital technologies are an important factor in improving the banking market, improving service quality, reducing costs, and attracting new customer segments. At the same time, it is necessary to constantly work on security and digital literacy issues.

The widespread introduction of digital technologies into the banking services market has fundamentally changed the development of this industry and the ability to provide services at the level of modern requirements. Analyses show that digital transformation has become a decisive factor in making banking services more convenient, fast, secure and cost-effective. Through the introduction of mobile applications, Internet banking services, artificial intelligence and big data analytics, banks are not only reducing costs, but also gaining the

opportunity to attract new customer segments, reduce credit risks, improve service quality and improve user experience. Especially in the conditions of Uzbekistan, the active support of the state for the digital transformation of the banking sector is an important factor in the successful continuation of this process. However, along with the expansion of digital technologies, cybersecurity issues remain relevant. Therefore, banks need to develop not only technological innovations, but also strategies to ensure their security. In the future, the priorities for banks should be: personalization of digital services, development of interactive communication systems with customers based on artificial intelligence, in-depth analysis of customer needs through innovative products, increasing digital literacy, and strengthening cybersecurity.

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