

WAYS TO IMPROVE DIGITIZATION OF SERVICES AND TRANSFORMATION PROCESSES IN COMMERCIAL BANKS

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Abstract. *Transforming banking with a new customer-centric service approach will make the digital space a competitive space for banks. In this regard, digital banks have an accelerating effect on economic activity by enabling financial transactions to be carried out at any time and in any place.*

Keywords: *digital banking, transformation, globalization, innovations, financial technologies, traditional banking institutions, investors, banking services.*

Introduction

In the context of the globalization of our country's economy and the acceleration of scientific and technical development, the fundamental reform of the banking and financial system, further increasing the confidence of foreign investors in the banking system and attracting their attention, as well as increasing the stability of the industry, the type and services of the provided banking services with the wide use of modern technologies expanding the scope of the market is one of the most pressing issues today. According to economists, we are in a new economic era focused on the global innovative transformation of the financial sector, which creates a huge competitive environment for traditional financial institutions. The degree of integration of modern financial technologies into the activities of commercial banks determines their competitiveness and financial stability.

Research methodology.

Studying the financial relationships that arise in the process of innovative development of banking services by implementing transformation processes using digital technologies in commercial banks.

Today, on the basis of significant changes in information systems, we can observe radical changes in society, economy, business and banking. In particular, we can see the impact of technologies on the economy and the banking sector in the example of digital banks.

The digital network is the backbone of the digital bank, and the call center, internet banking, mobile banking and branches are additions to the foundation. Launched in October 1989, First Direct (UK) was one of the first to create a branchless bank. Customer service was provided by the bank over the phone. The bank received 1,000 calls on its first day, and by 1995 First Direct had more than 500,000 customers in its portfolio. For the first time, the term "digital bank" or neobank was described in detail in Chris Skinner's book "Digital bank", published in the USA in 2014, and later developed in Europe during 2015-2020. It's important to note that most neobanks aren't technically fully "banks" due to restrictions on banking licenses.

Within the framework of the Decree of the President of the Republic of Uzbekistan "On measures to fundamentally improve the activities of the Central Bank of the Republic of Uzbekistan", the banking system is tasked with establishing "digital" banks and banking units

specializing in retail banking services and further expanding the quality of customer service using innovative banking technologies. Digitization is an important direction for the development of all sectors of the economy, including banking. Digitization of banking services is a complex of modern economic, organizational and management, institutional innovations in any field of banking activity. The main goal of digitization of banking activities is to strengthen the system of measures aimed at deepening cooperation with financial "start-ups" in order to achieve long-term development goals related to the introduction of innovative work methods, new banking products and services to increase and expand customers.

It should be said that digital transformation opens many opportunities for the economy. First of all, banks will increase their income. This happens due to the launch of new types and directions of products and services. In addition, reduction of operating costs and increase in efficiency of processes are also achieved. Automation of accounting, tax and personnel accounting allows for quick and high-quality management of a large volume of information. Data processing using the "Big Data" method opens up the possibility of targeting target customers according to certain criteria with high accuracy. This directly affects the success of marketing activities. At the same time, the quality of management decisions also increases. The manager is no longer dependent on the reports collected by the responsible departments, but will be able to open the system and move from general information to specific indicators, and compare the obtained results with the results of the previous period. Due to the automation of processes, forecasting models become more accurate and simpler. In addition, due to the regulation and transparency of information, the company's opportunities to attract foreign investors will increase, and conditions will be created for participation in international projects. The best convenience that digital banking provides to consumers is that they don't have to wait in queues, so whether they are an elderly person, a busy worker or an ordinary person who doesn't want to visit, they can access banking features from the comfort of their homes, 24/7. 24 hours a day, 7 days a week) allows you to provide banking services around the clock.

Differentiating the overall customer experience is critical to successful digital transformation in business. For this, banks need to deeply understand the target market, i.e. the market segment and customer preferences. Some ways to differentiate your customer experience include:

- Studying social networks to understand customers. The bank better understands where its customers are satisfied and where services do not meet their needs. In this way he improves his weaknesses and strengthens his strengths.

- Promotion of company brands (products/services) through digital media. Advertising through social networks such as websites, Facebook, and Instagram creates a direct connection with the bank between potential and existing customers.

- Building new online communities to build customer loyalty. Developing direct communication with customers will help them resolve any issues or queries they may have.

- Using technology to enhance face-to-face communication. The evolution of technology helps the business to be able to communicate with the customer in a minute (via Messenger, chat box).

In Uzbekistan, state-owned companies occupy a large share of the economy. Therefore, their digitization directly affects the country's GDP growth. In other words, the digital transformation of the public sector can be one of the important drivers of economic growth in

Uzbekistan. If we look at the world experience, we can see the state program "Digital Kazakhstan". According to official data, the total economic efficiency from its implementation in 2018-2019 will be 2 billion. It was more than USD. This alone can be a strong argument in favor of the introduction of information technologies into the economy.

One of the biggest disadvantages of traditional banking is the circulation of documents in paper form. In digital banks, it is especially important to avoid speed of service and excessive document circulation. In addition, digital banks allow the user to set up automatic payments for regular payments such as utility bills, telephone and loan repayments. The customer no longer has to try to remember payment dates. The customer can choose to receive alerts about upcoming and outstanding payments.

Extending digital banking services to remote areas is a step towards comprehensive development. Opening bank offices in remote areas of the village requires a lot of expenses, and it is also advisable to start digital banks. Digital banking reduces the risk of counterfeit currency. With digital banking, a user can report and block misplaced or withdrawn funds with the click of a button. This benefit significantly enhances the privacy and security available to the bank's customer. By promoting a cashless society, digital banking curbs the circulation of black money through which the Government can track the movement of funds. Economists have confirmed that in the long term, the activities of digital banks will reduce the demand for currency.

Conclusion

New types of services provided by commercial banks are undoubtedly created due to changes in information technology and telecommunications. Automated teller machines, mobile banking and internet banking are the new delivery channels. Among these, ATMs and mobile applications are widely used and currently the most widely used distribution method. Banks should pay more attention to mobile applications and smart banking when creating digital banking services in the future. Clients have started to feel discomfort in using branch traditional banking services today, because taking into account the importance of time for people, the time consumption in using banking services is high. One of the key drivers of the digital banking strategy is the deployment of an increasing variety of banking services to mobile applications. In this case, the operational costs of the bank will decrease and the quality of customer service will change positively

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