HSR (LONDON),
HOUGHTON STREET REVIEW JOURNAL
ISSN: 2058-5519|Impact factor-15.9
http://houghtonstreetreview.com/index.php/hsr

ECONOMIC EFFICIENCY OF DIGITALIZATION OF BANKING SERVICES AND IMPACT ON CUSTOMER SATISFACTION

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Abstract. This article studies the economic efficiency of digitalization of banking services, its impact on the results of banking activities and customer satisfaction. It also analyzes the development trends of digital banking services, international experience, digital transformation processes in the banking system of Uzbekistan, and existing problems. Based on the results of the study, scientific proposals and recommendations for further digitalization of banking services were developed.

Keywords: digital banking services, digital transformation, mobile banking, internet banking, fintech, economic efficiency, customer satisfaction, innovative technologies.

Introduction

The widespread introduction of digital technologies in the global economy is causing fundamental changes in all sectors, including the banking system. Today, the formation of a digital economy and the digitization of financial services are one of the most important directions of the country's economic development. The modern banking system is forced to use innovative technologies to maintain its position in a competitive environment.

While traditional banking services require a lot of time and money, digital banking services allow customers to perform banking operations at any time and place. Therefore, banks are trying to improve the quality of service by converting their business models to a digital format.

In recent years, Uzbekistan has also been implementing large-scale reforms to modernize the banking sector, widely introduce digital technologies, and improve the quality of financial services provided to the population.

Relevance of the topic

The relevance of the digitization of banking services is explained by the following factors:

increasing demand for financial services;

increasing level of use of the Internet and mobile technologies by the population;

increasing competition between banks;

the need to reduce service costs;

the need to ensure financial inclusion.

Digital banking services not only increase the efficiency of banks, but also serve to reduce cash circulation and ensure transparency in the country's economy.

Analysis of scientific literature

The issues of digital banking services and digital transformation have been researched by many foreign and domestic scholars.

Foreign scholars Clayton Christensen, Brett King, Chris Skinner and others have pointed out that digital banks will fundamentally change traditional banking models in the future. According to them, digital technologies make banking services cheaper and more convenient for customers.

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Local economists have also researched the economic importance of introducing digital technologies in the banking system, paying special attention to its role in increasing the competitiveness of the country's economy.

Economic efficiency of digitization of banking services

The implementation of digital technologies in banking provides economically important results.

Reducing operating costs

Traditional banking services have high costs associated with maintaining branches, utilities, staffing, and document management. These costs are reduced by automating many operations through digital platforms.

For example, the cost of providing banking services is significantly reduced by opening an online account, using electronic identification, and using digital contracts.

Increasing labor productivity

Automated systems reduce human errors and speed up operations. As a result, the number of clients served by one employee increases, which increases labor productivity.

Increasing revenues

Digital services create new business models. For example:

online lending;

digital deposits;

QR code payments;

e-wallets;

fintech platforms.

These services allow banks to increase their interest and non-interest income.

Strengthening competitiveness

Banks that quickly implement digital services will have an advantage in the market. Since modern customers prioritize speed and convenience of service, digital banks have the opportunity to attract more customers.

The impact of digital banking services on customer satisfaction

Customer satisfaction is an important factor for the long-term sustainability of a bank.

Digital services provide the following advantages:

24-hour access to services;

performing operations without visiting a branch;

fast transfer of funds;

obtaining online information about services;

the ability to personalize banking services.

Services provided through mobile applications significantly reduce customer time.

Digital banking services also provide transparency in the service process and strengthen trust in the bank.

Analysis of international experience

Digital banking services are highly developed in developed countries.

In the UK, digital banks (Neobank) provide customers with fully online services. Digital banks such as Revolut and Monzo have managed to attract millions of users in a short time.

In the US, individual services are offered to customers based on artificial intelligence and Big **Data technologies.**

In South Korea and Singapore, the share of digital banking services is very high, and most banking transactions are carried out via mobile devices.

These experiences are of great importance for the banking system of Uzbekistan.

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Digital transformation processes in the banking system of Uzbekistan

In recent years, large-scale work has been carried out in our country to digitize the banking sector. In particular:

expanded mobile banking services;

remote banking services were introduced;

online lending systems were developed;

biometric identification is being implemented;

digital payment services are gaining popularity.

These processes expand the population's access to banking services and increase the level of financial inclusion.

Problems and limitations

The following problems are observed in the development of digital banking services:

cyber security threats;

insufficient digital literacy;

lack of development of internet infrastructure in some regions;

personal data protection issues;

high costs of introducing innovative technologies.

Suggestions and recommendations

Based on the results of the research, the following proposals were developed:

Wide use of artificial intelligence technologies in banks.

Further strengthening of cyber security systems.

Expanding programs to increase the digital financial literacy of the population.

Developing cooperation with fintech companies.

Expanding the coverage of digital banking services in rural areas.

Introducing a monitoring system for the quality of digital services.

Conclusion

The results of the study show that the digitalization of banking services is an important factor in increasing the efficiency of banking activities. Digital technologies serve to reduce operating costs, increase labor productivity, and ensure customer satisfaction. At the same time, digital transformation strengthens the competitiveness of banks and has a positive impact on the sustainable development of the country's economy.

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