

INCREASING THE COMPETITIVENESS OF COMMERCIAL BANKS THROUGH TRADITIONAL OPERATIONS IN THE BANKING SYSTEM

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Abstract

In this state description of traditional banking, their role in the economy, banking system reforms, expansion of convenient remote banking services offered to the public and business, such as Internet banking, SMS banking and mobile banking, based on modern information and communication technologies. Attention is also paid to the system of remote management of bank accounts of enterprises and organizations, and also allows to significantly increase the popularity of such services.

Keywords: credit, crediting, deposit, cash, capital, pawnshop, currency market, internet banking, sms-banking, mobile banking, microcredit, loan (credit)..

Introduction

One of the main factors in increasing the competitiveness of commercial banks in the world is the correct choice of Bank development strategy. Especially in the context of the global COVID-19 pandemic, online forms of using banking services are creating the need for rapid assimilation by consumers, the development of an effective innovation strategy in the processes of working with customers in banks. "For 2020, nearly 85 fozes of retail banking customers used online banking services." [18]

In Uzbekistan, "the broad introduction of digital technologies into the activities of banks and the transfer of the interbank currency market to the" On-Line"platform and the issue of increasing competition in the banking financial market" [3] have been identified, although there is a low level of competitiveness in commercial banks and insufficient diversification of their types of customer service, and

Within the framework of the tasks set in the development strategy of the New Uzbekistan for 2022-2026 to ensure the rapid development and high growth rates of the national economy: measures were taken to reduce the annual inflation rate to 9 percent in 2022 and 5 percent in 2023 and the fiscal deficit to 3 percent, and then inflation and the state budget deficit; In this case, it is envisaged that by the end of 2026, the share of the private sector in the bank's assets will be released up to 60%, completing the transformation processes in commercial banks with a state share [1].

The need to develop a customer-oriented marketing policy in commercial banks is primarily aimed at setting strategic goals that represent the possibility of fully meeting the needs of customers in a competitive market and directing the ability to generate income in conditions of pure competition to long-term preservation. In the banking system of developed countries of the world, the practice of Customer Relationship Management (CRM – customer relationship management) has been widely used. CRM is in its essence not only a software product or

technology, but also a principle based on the formation of "customer orientation", as well as a targeted strategy for the constant development of business.

Targeted strategies for reforming and strengthening the banking and financial system implemented in the Republic of Uzbekistan make it possible to increase the level of capitalization of banks, expand the scale of lending to the economy, increase the spectrum of banking services provided, as well as increase the role of the banking system in the development of the country's economy. To further improve the quality of banking services and establish full-fledged cooperation relations with business entities, it is necessary to radically improve the working methods of commercial banks, to look at the banking system of the population and economic entities as a reliable institutional partner.

Analysis of Literature on the Topic

Russian scientists E.F. Zhukov, O.I. Lavrushin, T.N. Nesterova, A.N. Ivanov, and French economist S. It was reflected in the scientific researches of De Kusser. Peter S. Rose [17] says about the services provided by banks to the public, specifically banks: "A bank is a firm that provides financial services, professionally manages the community's funds, and performs many functions in the economy." In addition, Peter S. Rose's tutorial covers currency exchange, commercial bill accounting and business lending, savings deposits, safekeeping, government lending, checking accounts (demand deposits), trust services, and consumer lending, which have evolved in recent years. , conducted research on banking services such as selling insurance services, selling pension plans, and offering brokerage services for transactions with securities. According to this economist, the change in the form of banking is carried out with the help of several main trends: the increase in the number of services, the increase in competition, deregulation, the increase in the cost of financing, funds that are highly sensitive to interest rates, the technological revolution, consolidation and geographical expansion, the globalization of banking, and the increase in the risk of bankruptcy. and the weakening of the state's deposit insurance system. Russian scientist E.F. Zhukov [4], in his textbook, commented on the banking institution and banking operations as follows: "when the bank is considered as an institution that collects funds and places them on the basis of repayment, it is possible to distinguish between active and passive operations in its activity."

Famous Russian scientist O.I. Lavrushin [6] stated that the characteristics of the bank are determined by the essence of its activity, and the result of this activity is the creation of a bank product. Scientific and practical aspects of increasing the efficiency of commercial banks' assets Larionova [7] proposed to classify bank assets according to their tasks, liquidity, risk level, term of placement and subject. Also, some aspects of evaluating the effectiveness of banking activities in various fields were determined in the scientific research of the following scientists.

In particular, Karimov [8], Ermatov [9] on the development of the credit system and policy in banks in order to increase the effectiveness of bank assets in our republic, Nasirov [10] on the development of practices related to bank securities, Mustafоеv on the development of banking services related to bank asset practices [11], Tojiev [12], Sattarov [13] on ensuring the liquidity of bank assets, Kifak [14], Karimov [15] on stabilization of risks related to bank assets conducted scientific research.

Research Methodology

Research methods such as analysis and synthesis, induction and deduction, statistics and comparison were used in conducting the research.

Analysis and results

In the market of banking services of the Republic of Uzbekistan, efforts aimed at creating a healthy competitive environment among commercial banks have become the main direction of the policy of improving the policy of working with customers and increasing the quality and scope of the provided services, as well as expanding the type of banking services and creating additional conveniences for customers. The rapidly developing competitive environment in the banking services market of Uzbekistan has created the problem of implementing a number of activities to improve the quality and scope of services in commercial banks.

The process of globalization, the excessive development of competitiveness, the need to further activate the transformation process of commercial banks, to bring the banking services provided to customers to a new level. In addition to the above, there are problems of solving the following tasks in the management of relations with customers in commercial banks of Uzbekistan in the competitive environment and dynamically changing market conditions:

- As a result of the entry of international financial institutions into the country and the emergence of modern online banking services, to radically change the functional tasks of commercial banks and ensure their effective integration into the market of international banking services;
- Introducing a new philosophy of working with customers based on the combination of standard technologies with an individual approach to each customer by introducing and ensuring the quality of customer service and effective ways of working with them;
- Diversification of the banking sector - expansion of the type of services provided by banks and development of non-bank methods of borrowing funds (issuance of bonds and other securities);
- Development of information technologies and means of communication on the basis of modern technologies and, as a result, expansion of the regional and national sphere of activity of financial and credit organizations;
- Development of competition within the banking system both in the field of attracting funds and in the field of providing credit services;
- Limitation of price competition in the market of banking services related to state regulation, as well as the presence of unprofitable high interest rates of the bank;
- Improving the management system and developing an effective national marketing policy for bank product quality control and product marketing.

Active and rapid implementation of innovations helps increase the competitiveness of banks and their harmonious entry into the international financial environment. According to the theory of gradual evolution of financial technologies, in the first stage "FinTech 1.0" the leading role was taken by traditional institutions, mainly banks that used existing technologies, and the next one was called "FinTech 2.0", and the technologies of introduction of ATMs for general use began to be used more and more actively.

Innovations in the FinTech 3.0 financial market, calculated in the era of electronic banking and digitization, have led to the exit of market entities that provide banking services. It is predicted

that the need to isolate the modern stage of market development will increase, which is FinTech 4.0. is considered According to statistical analysis, more than 50% of ATMs in the world are located in countries such as USA, China, Brazil, Japan and India, which are considered the most developed banking services, and concluded that the development of online banking trends depends on the number of ATMs.

Today, the population can perform real-time card-to-card (P2P) money transfer operations, make tax, budget, utility and other payments, receive microloans and repay loans, issue online deposits, deposit and loan (credit) accounts through the mobile application programs of commercial banks. remote opening, making payments from an international bank card account, online conversion operations and other remote banking services are widely used. Figure 2 below analyzes the issue of plastic cards by commercial banks in 2010-2021, and it can be seen that at the beginning of 2010, the number of plastic cards issued was 6,059,000, and as of January 1, 2022, their number was 27,106,000. is doing.

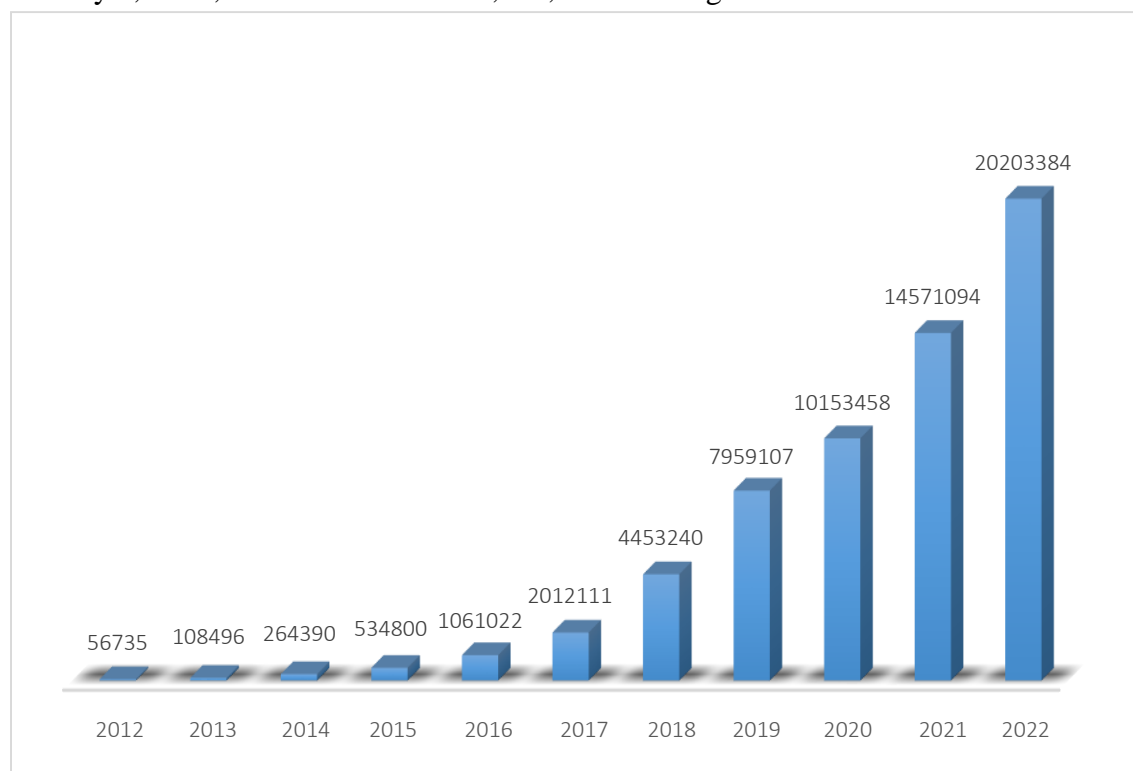


Figure 1. The number of users of systems providing remote banking services

Figure 1 shows the number of users of remote banking services in 2012-2022. This indicator was 56,735 people in 2012, and as of January 1, 2022, it is 356 times more, i.e. 2,020,3384 people. From this we can conclude that the demand for the use of these systems is increasing. Today, the population can perform real-time card-to-card (P2P) money transfer operations, make tax, budget, utility and other payments, receive microloans and repay loans, issue online deposits, deposit and loan (credit) accounts through the mobile application programs of commercial banks. remote opening, making payments from an international bank card account, online conversion operations and other remote banking services are widely used.

Conclusions

In the process of writing the article, the following conclusions were reached:

1. In addition to the fact that the current financial services of the commercial banks of the Republic of Uzbekistan have been expanding over the years, ensuring compliance with international standards remains the main problem. In the development processes of advanced commercial banks, the main primary place is occupied by bank advertising, provided financial and other types of banking services, and it is required to pay enough attention to the creation of new banking services and the introduction of new banking services while fulfilling the wishes of bank customers.
2. While the commercial banks of our republic have wide opportunities to provide a number of modern banking services, the practice of managing the client's funds and placing them in international markets is not sufficiently developed. Also, the introduction of the practice of providing maximum assistance on voluntary issues based on the analysis of the bank client and his situation serves as a basis for the creation of new financial banking services.
3. In the commercial banks of the Republic of Uzbekistan, it is recommended to introduce new types of services and determine their prospects by determining the satisfaction of consumers with banking services. Through the effective use of this practice, it encourages the implementation of new types of services suitable for consumers, creating opportunities to study and apply the principle of "bank for the client" as the main criterion.
4. While studying the world experience in modern commercial banks, it is desirable to expand the activity outside the bank balance sheet and diversify the activity along with strengthening the function of financial mediation.
5. In the practice of commercial banks, it is necessary to introduce innovative banking technologies, provide remote banking services, and activate the further development of the payment system in order to establish "digital" banks and banking divisions specializing in the provision of retail services in the field of providing banking services to customers.

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