

Foreign Experience and Possibilities of Effective Use of Development of Digital Banking Services

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Abstract

Today, the total number of users of digital banking systems worldwide will exceed 2.4 billion in 2020. Analysts forecast that by 2024, digital banking users will increase by 54% globally to 3.6 billion, as digital banking alone is catalyzing the market. The only reason for this growth is the proliferation of digital banks and the constant focus on digital transformation by established banking brands. "Therefore, in many countries around the world, remote management of banking services without visiting the bank has become one of the most pressing issues. Demand for financial technology is also growing at a time when artificial intelligence and the digitalization process are booming.

Keywords: *online banking, block chain, remote banking service, phome banking, call-canter, cloud banking, cloud technologies, digitization of business processes.*

Introduction

The first bank to offer its services via the Internet was First Security Network Bank, established in 1995. As a result of e-services, the bank's assets in the first year amounted to 110 mln. Dollars. The average monthly growth of capital was 20 percent. Customer accounts, on the other hand, have increased by ten thousand. Although it became a fully virtual bank in 1997, it failed due to customer distrust, and the bank was acquired in 1998 by the Royal Bank Financial Group of the United States. This bank provides its services only within the internet and does not have an office in any material form to work with customers. This bank allows its customers to open and manage various bank accounts through the bank's website, allows you to pay for goods and services and checks the balance of funds in your personal account. Bank customers were available in 45 U.S. states. By December 2001, each of the eight largest U.S. banks had at least 1 million online users. During this period, more than 19 million U.S. households managed their bank accounts online.

In 2005, banks began to provide services online, and of course, banking legislation also had to be adapted to real-time. For this reason, The Federal Financial Institutions Examination Council (FFIEC) has developed laws and regulations for financial institutions. In particular, the implementation of risk-based assessment, evaluation of customer notification programs and implementation of security measures to authenticate remote payments.

The banking system of the Republic of Uzbekistan is systematically working to provide electronic banking services to customers. In particular, the Decree of the President of the Republic of

Uzbekistan No. PD-5992 of May 12, 2020 "On the strategy of reforming the banking system of the Republic of Uzbekistan for 2020-2025" One of the priorities of the reform of the banking system is the modernization of banking services, the creation of effective infrastructure and automation of banking activities, as well as the gradual abolition of non-core functions of banks. Also, the widespread introduction of modern information and communication technologies is being treated[1]. The article aimed at improving the scientific proposal and the need to develop practical recommendations.

Literature review

Development of smart banking services, processes of improving the banking service system have been thoroughly studied by foreign economists. In particular, the theoretical and methodological basis of the diversification of banking services through the introduction of digital banking services foreign economists X.Douglas [2], G.Brayan [3], A.V.Vasilev, Ye.B.Gerasimova, L.S.Tishina [4], T.Ramayah [5], J.F.Devlin [6], V.K.Spilnichenko [7], N.I.Lixodeeva [8], K.A.Zabrodiskaya , A.O.Zaxarova [9], K.Petrova [10], K.Pousttchi, M.Schurig [11]studied in the scientific work of scientists such as.

Research on the role of the system of modernization and simplification of banking services in the development of financial services in the country, the conditions and opportunities for the introduction of information technology in the banking system has been widely introduced in our country. Some theoretical and practical aspects of improving the digital platform of commercial banks U.O.Azizov, T.M.Koraliev[12], Sh.Z.Abdullaeva[13], O.U.Mamadiyorov, B.O.Tursunov[14], K.A.Mirzobekov[15] in scientific researchon the development of digital banking servicesscientific proposals and practical recommendations have been developed.

Research methodology

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

Analysis and discussion of results

Although banks have offered mobile banking services, the difficulty of viewing their financial information on the screens of small mobile phones, which were common in the early 21st century, and the lack of public interest have hampered the development of this service. In 2002, Wells Fargo developed a mobile banking service that had only 2,500 registered customers. However, due to some shortcomings in the system, the use of the system has not improved. Later, the capabilities of mobile phones increased, and as a result, the efficiency of mobile banking also increased.

Banks have also created more apps for mobile phones. Users also supported the use of advanced applications of mobile banking service. The bank's customers also preferred technologically advanced applications with updated, convenient navigation, pictures and graphics. In 2007, more than 54 million households in the United States began using bank accounts online, resulting in the merger of some bank branches.

As a result of consumers performing banking operations through online services, bank branches have become less and less important. By 2008, while large banks and their customers used these services on a regular basis, small banks also began to offer mobile banking services and applications.

Table 1. Stages of development of remote banking services*

No	Years	Measures taken
1.	1951-1970	Research on automation of banking services with technologies such as MICR, Magnetic Ink Character Recognition and ERMA has been conducted to automatically verify transactions.
2.	1971-1980	Banking services are fully automated with the help of computers. With the help of screen terminals, bank customers can access their accounts in real time, as well as scientific research and software experiments on the concept of "Home Banking".
3.	1981-1990	Home Banking was born. Customers of Home Banking services have the opportunity to access during the week from 6:00 to midnight. For the first time in the UK, an internet banking service was offered and called Home-link. First Direct Bank was one of the first to provide banking services over the phone.
4.	1991-2000	The first online banking service in the United States. For the first time online banking bankofamerica.com website was created and now there was no need for special banking programs, customers were able to access the bank's website 24 hours a day. The first pure internet bank, First Security Network Bank, emerged and in 1997 became a fully virtual bank.
5.	2001-2010	As a result of the development of online services, The Federal Financial Institutions Examination Council has developed laws and regulations. During this period, the bank's branches began to merge and began to carry out consumer banking operations through kiosks and online services. Mobile banking services and mobile applications have emerged.
6.	2011-2022	Online banking continued to develop. In particular, the mobile banking service has rapidly become popular. The number of Direct banks operating without branches is growing. Channels and types of remote management of bank accounts are growing and developing.

* Compiled by the author as a result of research on the topic.

A study of the experience of developed countries shows that today the commercial banking system has been operating for several years on the basis of modern innovative software and special platforms. Although capitalization in the banking sector has improved significantly, it is becoming more difficult with strategies to increase revenue and reduce costs. At the same time, the approach to banking and credit unions from a technological point of view is becoming more relevant at a time when consumer demand is growing. To further improve the banking business, small and large financial technology companies are using "artificial intelligence" and digital technologies to improve customer service. New competitors have begun to threaten old financial institutions of all sizes, while many new technologies are also creating great opportunities. Indeed, organizations that use big data, advanced analysis, and new technologies to improve the customer experience need to build and maintain trust, transparency, and revenue, which are keys to future success. "The introduction of modern FinTech and blockchain technology into the banking services market opens up many opportunities for the development of financial services." said Dan Cohen, senior vice president of global financial services and insurance at the European corporation Atos. however, many new technologies are also creating great opportunities. Indeed, organizations that use big

data, advanced analysis, and new technologies to improve the customer experience need to build and maintain trust, transparency, and revenue, which are keys to future success.

In particular, in the 1980s, banking and financial institutions in Europe and the United States began research and program experiments on the concept of Home Banking. Initially, in the 1980s, due to the underdevelopment of computers and the Internet, Home Banking used to serve its customers mainly using fax machines and telephones. The proliferation of the Internet and software has created additional opportunities for the development of Home Banking. During this period, the use of personal computers at home also increased, and Bank of America learned how people could access their accounts remotely. In 1983, the bank introduced Home Banking to its customers for the first time. Through Home Banking, customers were able to access their balance sheets and perform basic banking services.

From these Home Banking services, customers initially had access to their accounts during the week from 6:00 to midnight. With the help of screen terminals, bank customers could access their accounts in real time, open accounts, suspend payment orders and stop money transfers. In 1982, Bank of America had nearly 2,000 terminals, giving employees access to the banking network. This allowed the bank to work more efficiently for customers. In November 1982, the construction company Nottingham Building Society (NBS) and the Bank of Scotland in partnership with British Telecom introduced the first internet banking service in the UK and called it Home-link. The connection to television and the use of the telephone to send and receive money transfers and payments served as the basis for online banking [17]. The system was also fully operational in mid-1983, after which other lending institutions began to introduce similar services. First British (1989) was the first British bank to offer the ability to provide banking services only by telephone. It is worth noting that for the first time in the history of banking, there was a bank that provided services only by telephone, as the bank did not have any branches. First Direct Bank is one of the first and still very efficient banks to serve its customers through electronic channels.

In the 1990s, the United States laid the groundwork for remote banking over the phone. One of the inventors during this period was the National Bank of North Carolina, which in 1990 offered its customers more than 30 services and operations through the telephone system, for which a large number of Call Centers were established, which later improved with the reduction in the number of operators. In 1990, the number of daily calls to the system was about 200 thousand. Home Banking - laid the foundation for Online Banking as we know it today. The first online banking service in the United States began online in January 1994 with Microsoft Money personal finance software to manage the bank accounts of more than 100,000 households. In 1995, the Stanford Federal Credit Union created the first online banking website bankofamerica.com and funded the service. Through it, there was no longer a need for special banking programs, customers were able to access the bank's website 24 hours a day, and this banking service has evolved through the use of the internet. As a result, while there are advantages and disadvantages to online banking services, it has become an increasingly widespread revolution in the banking system. The first pure internet bank to offer its services over the Internet is the First Security Network Bank, which appeared in 1995. Customers were able to access the bank's website 24 hours a day, and this banking service has evolved through the use of the internet. As a result, while there are advantages and disadvantages to online banking services, it has become an increasingly

widespread revolution in the banking system. The first pure internet bank to offer its services over the Internet is the First Security Network Bank, which appeared in 1995.

According to a study by the European Corporation for Information Technology, there are four transformational challenges and opportunities for the future of the bank over the next 5 years[18]:

- Satisfying a wide range of customer needs. According to a study conducted by the Digital Banking Agency, given the most important trend of the last 4 years, it is advisable for financial institutions to move from physical to digital communication.
- For digital banks and credit unions, the problem of reducing regular customer visits and costs, customer satisfaction is relevant, and can become a great benefit for banks if the existing problems are eliminated;
- Price optimization. Because of the effectiveness of digital competition, banks and credit unions need to consider moving away from nonprofit operations and using intelligent automation. In addition, organizations will need to rehabilitate office processes and replace spiritually obsolete infrastructure;
- Creating new revenue streams. Banks' use of specialized software will help reduce costs and increase revenue, and create new opportunities. When the banking ecosystem optimizes traditional banking services, new products are produced and segregated, which offers different offerings and monetization opportunities;
- Development of security and coordination systems. While customer information is a 'product' for many financial institutions, the need for advanced security and advanced understanding artificial intelligence will also be different than compliance and customer confidence. This can lead to cost reductions and business growth.

In the Innovation in Retail Banking report for 2018, banks should focus on increasing the numbering and innovation initiatives, using cloud technologies such as Cloud technologies, advanced analysis and new distribution alternatives to meet consumer demand. According to a study by the European Corporation for Information Technology, all of these initiatives have three implications:

- ✓ customer-oriented position;
- ✓ real-time intelligent data integration;
- ✓ Open platform foundation.

Conclusions and suggestions

According to analysts, virtual reality technology is being used to make it easier for customers to buy homes. The study of the advantages of the above technologies, their gradual introduction and use in the banking activities of the republic is important in improving the efficiency of the industry, and the research is consistent with the goals and objectives.

World practice shows that the main advantages of digital banking in increasing the popularity of banking services are:

1. Digitization of business processes of the bank - the use of graphical models of business processes in information systems, which are closely integrated with the practical implementation of business processes (changes occur with minimal delay), as well as electronic document management, large amounts of data Measurement and registration system (KPI

indicators, operational risks, list of employees and customers in the implementation of the business process).

2. Products (services) and sales channels are aimed at self-service of customers and are provided in digital form. Digital banking includes remote banking services (Internet banking and all related services), mobile applications, Internet acquiring, interbank services and the rapid introduction of new products (services) for sale.
3. Qualified personnel - our own digital teams, combining business, IT and marketing competencies, the presence of functional teams working together on a regular basis. The Bank's corporate culture is focused on digital business and innovation.
4. The system architecture of the bank - almost all information systems of the bank should form a single platform, closely integrated with each other. At the same time, bank partners need to develop their new services and integrate them with banking products (services) (for example, services for the sale of construction services and goods when applying for a mortgage loan at the bank).

Thus, the use of digital banking saves more than an hour when making a single payment. For example, many features, at least in a number of credit institutions, now have payments over the Internet. In addition, only remote identification is performed. We should not forget about adults who prefer personal relationships with a bank representative. Thus, the development and conduct of effective customer research by banking institutions allows the latter to improve their relationship with them and increase their market performance.

It is important for the bank to combine its marketing research with the services of companies that carries it out professionally. Also, as banking institutions have the necessary information on direct contact with customers, to increase the popularity of banking services using the Internet, various research methods and modern research methods? Need

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