

Article

# Development Directions of Innovation Banking Services

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**Abstract:** In the modern conditions of development, the development of targeted and effective banking services depends to a large extent on the modernization of society's life activities. The article presents the nature of innovative banking services, special features of the provision of banking services today, the state of the provision of innovative financial banking services and recommendations in this regard.

**Key words:** bank, service, innovative banking service, internet banking.

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## Introduction

Along with material production, the services sector is also gaining great importance in the social development and living standards of the population. The standard of living is determined not only by the rate of material production and the scale of development, but also by the level and rate of consumption of services. Services are a component of vital products in population consumption and a necessary condition for the growth of population income and consumption.

The development of the service sector has a great impact on the economy. First, it increases the share of services in the total volume of material products and services, which reflects positive changes in the structure of the population's standard of living and needs. Secondly, paid services expand the source of state revenues, which gives rise to additional opportunities for the state to improve the standard of living of the population.

So, the service industry is a comprehensive concept that summarizes various sectors that provide services to the population. The work performed in these sectors is not materialized in the form of goods, but in the form of "services" directly satisfies the needs of people, that is, it is embodied as consumer values. Of course, individual sectors differ greatly in terms of services provided to the population. Despite the differences in the nature and specialization of certain types of services, all of them together constitute the service sector. The participation of each of them at some level in the production of the "life fund" - the consumption fund of the country - unites them. The service sector is a large area of public labor expenditure and an important source of population income.

Thus, it is now necessary to separate service industries as an independent sector. It will be more correct to classify the national economy as the sphere of material production, the sphere of services and the sphere of non-production. The first two sectors form the sphere of production, in which the gross product, the national income and the consumer fund of the population are created. The third is non-production labor sector.

## Analysis and results

The strategic direction, which sees its principle aspects in the development of the service sector, is currently known. First of all, it is, of course, to expand the scope of services in a broad sense. The modern understanding of the term "services" departs from the previous concept of intangible goods and leads us to look at services as goods in the form of goods. Exchange for the provision of services, unlike the exchange for tangible goods, is considered unilaterally intangible by services. Relations between people on the

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exchange of goods and services can be imagined in the form of "subject - subject". This social relationship is related to the attraction of material objects: immaterial - services and material - money. Therefore, at the initial stage of the creation of services, the producer and seller act according to the following method: subject benefit (service) - benefit (money, goods, services) - subject. In the economic system, the movement of goods and services preserves the same characteristics as in the exchange of material goods and completely rejects the assumption of irrationality of relations in the field of services and the understanding of services in the form of "intangible goods".

All work by Western economists on service sector theory is included, except for those related to mineral extraction, industrial and agricultural production. Such a residual method has a serious defect that does not allow to reveal the essence of the considered concept and form the definition of services. T. Hill defines a service as a changed state of a person or thing belonging to any participant of economic relations, which is achieved as a result of the conscious actions of the other participant of this relationship. Compared to other Western interpretations of service activity, this definition reflects, in our view, the most significant features of services as an economic category, as it refers to the economic relationship between the producer and consumer of services, relying on direct contact between them and the achievement of beneficial results as a result of the conscious activity of the producer of services. there is

Services in terms of economic essence and economic characteristics are a single root system showing common "kinship" characteristics, having certain similar characteristics, and "species" characteristics indicate new aspects associated with specific production relations in the economic system operating in the sense of categories.

Service is a blessing, the result of which is aimed at satisfying the needs of the population in the form of a product (tangible service) or the activity itself (intangible service).

Institutional changes have been taking place in the economy of our country in recent years. New market institutions appeared. Financial and banking institutions serving society are now operating, including state and non-state pension funds, insurance companies, and non-bank institutions. The state program for supporting small and private entrepreneurship is closely related to the expansion of services. All these changes directly or indirectly affect the development of finance and banking system. The financial-banking system has reached an optimal state in its development, and now more attention is being paid to the development of quality aspects (expansion of the field of activity), universalization of the activities of financial institutions.

At the same time, the struggle for the quality of insurance organizations and banks may be reduced for this very reason. In particular, the foreign practice of recent years shows that banks that provide their clients with a variety of high-quality services usually have an advantage over banks with limited types of services. Tough market conditions and competition are forcing banks to fight not only for survival, but also for those who want to survive and flourish.

Currently, most of the western insurance companies and banks are choosing the way to provide comprehensive customer service. This means that, in addition to insurance, settlement, credit and cashier services, they also provide their customers with services aimed at satisfying the specific needs of each customer. Economists note that a modern commercial bank of the USA provides more than 100 different operations and services, a clearing bank of England provides approximately 150 different operations and services, and a main commercial bank of Japan provides more than 300 different operations and services. Banks provide a full range of services to clients: tax calculation and payment, leasing and factoring services, information on the solvency of clients' counterparties, assistance in issuing shares and other valuable securities, providing advice to clients in the field of investments, etc.

Non-bank financial institutions also take part in the competitive struggle in the finance - banking services market. If we look at the world experience, it can be noticed that non-bank institutions in the USA actively compete in the market of traditional banking services - they now carry out cash settlements, short-term lending to companies, credit card operations, etc. In our republic, financial intermediaries such as pawnbrokers, brokerage companies, offering quick loans on the condition of movable property collateral to all interested parties, are actively working, they have greatly squeezed commercial banks in the securities market. These and other similar aspects indicate that banks should be able to offer as wide a range of services as possible as a product of financial-banking activity.

F. Kotler emphasized that any event or favor offered by one party (in our case, the bank) to another party (bank customers) is considered a service. Financial-banking services are the performance of certain activities performed by them for the benefit and benefit of the customer. At the same time, financial-banking services are the economicized goods of financial-banking institutions, and as any commercial enterprise, it strives to achieve the maximum volume of its implementation. it is permissible to raise the issue of development.

In the specialized literature and advertising directions of commercial banks, the term "bank services complex" can often be found, but the term "complex" means a set of all banking services forming a whole, a set of bank operations, and by a banking service system, we mean not only a simple set, but also many elements, in particular, we understand their interrelationships and connections, and together with this, they represent a kind of wholeness, unity. That is, the term "complex" refers to a simple list of banking services and in most cases is used for advertising purposes for external users who are not bank clients, the term "system" is a larger concept that includes the relationships between banks and their clients.

In order to develop the system of financial and banking services, it is necessary to pay attention to the expansion of the provided services and, in general, to expand the targeted services for a specific group of customers. The expansion of services should be focused primarily on existing customers, as potential customers are those people and companies who approach financial and banking institutions for the implementation of a type of operation. For example, if a customer buys traveler's checks or foreign currency from a bank, he may be offered travel accident insurance. As M. Dou said, if we express it, the bank should sell the whole set of financial and banking products from one counter.

Today, commercial banks of the Republic of Uzbekistan offer more than 100 types of operations and services to their clients. If a comparison is made between banks, it can be concluded that republican banks provide the most operations and services. Commercial banks develop individual transaction projects, they are ready to protect the interests of their clients in court, conduct marketing of various markets based on the client's order, give advice on business development abroad, participate in the development of founding documents of small business enterprises, and teach the legal foundations of entrepreneurship. Unfortunately, local banks carry out relatively few transactions. But at the same time, regional offices and branches of republican banks provide more limited services on behalf of their main banks. If their customer needs a service that the branch is not authorized to perform, they will be referred by the parent bank. Thus, customers cannot get all the services that banks can provide, and it can be said that the real number of services and operations in certain areas is much less, and there is a need to expand the operations of branches and strengthen the role of their managers.

Expanding the scope of banking services does not mean expanding the system, here it is only supported. The emergence of the system can be imagined as follows: a bank serving a small firm provides an initial loan, borrows consumer goods with the condition of late payment, prepares accounting documents, provides special financial services, that is, the development of the firm, increasing its capabilities, respectively, now for business it can enable the appearance of characteristic new needs (leasing operations, medium-term lending), and as a result, the bank can discover large customers for the branch. This is the purpose of providing address services. Thus, a bank that has helped its clients to stand on their feet and develop will expand the volume of transactions with them and, accordingly, increase their income. Some of the banks of our country have taken into account special types of service tariffs for individual large customers in their tariff policy.

It should be taken into account that directors and employees of firms and companies, like individual entrepreneurs, have taken into account special types of services and tariffs for individual large customers in their financial policy.

It should be taken into account that directors and employees of firms and companies, like individual entrepreneurs, need banking services and other financial services, such as opening deposit accounts, money settlements, insurance, and pension services. Here, too, banks have horizons of activity in the form of a large class of individual customers.

In developed countries, competition for small customers has been going on for a long time, which can be seen in the transformation of "wholesale" banks, which previously preferred to serve only large firms and wealthy customers, into "retail" banks, which attract savings of small businesses and the lower classes. Today, in practice, the differences between banks of developed countries in providing services to individuals (private) and legal entities are becoming imperceptible. For example, a private person can be an entrepreneur or later become one, open his own business, so it is difficult to differentiate banking services according to the type of customers. At the center of the financial banking service should be a person, his personal qualities and financial capabilities.

Banks, on the other hand, do not adequately assess the possibilities of expanding the experience of servicing individual clients, and consider this area to be volatile, less profitable than servicing legal entities, and do not give it a primary attitude.

Undoubtedly, there are objective reasons such as the state of the economy, the high level of labor costs and even the lack of necessary experience (for example, in lending), but the stabilization of the economy, overcoming inflationary changes, after gaining the necessary experience in this area, banks gradually expand their experience in serving the population. possible At the beginning of the market changes, the stage of

development of our country's banks is still too narrow to talk about the end of the problems in the field of banking services. Moreover, we are sure that the correct practice, combined with the theoretical studies of banking activity and the improvement of the legal framework, will contribute to the further development of the provision of banking services to clients.

The level of influence of services through the financial-credit mechanism is determined by the target direction of the financial-credit policy and it depends, first of all, on the selection of its priorities. Speaking of this, it is fair to say that organizations in the field of both financial and banking services are mentioned in the economic literature. But these services do not have a sufficient theoretical meaning, including the economic nature of financial and credit services, and the issues of their scientific classification. Until now, serious scientific research on this problem has not been carried out in Uzbekistan. An attempt was made to define the concept of "finance - banking services" based on the study of different definitions of the concepts of "financial" and "banking services, including "innovative service". For this, studies were conducted to study the content of the definitions of the concepts of "financial service" and "banking services" in the economic literature. Financial and banking activity is a unique field, which is constantly developing. These types of services will also improve, their new types, in particular. Innovative banking services will emerge. This is an objective process that takes place under the influence of market laws and the demand to satisfy extremely high needs, which is one of the conditions for the development of society, the growth of the needs of an individual, a group of individuals, including insurance organizations, customers of the bank and society in general, related to the development of production and reflects improvement. For financial institutions, its impact is seen in the fact that new and higher needs will appear related to the involvement of customers in different forms and areas of activity on the basis of need - their dynamic category and satisfaction. They can prevent the emergence of extremely high needs of customers, including banking services, and their subsequent fulfillment. The basis of the economic nature and emergence of financial - banking and innovative services is based on this. Based on the study of various tariffs, specific features of the economic nature of the services of financial institutions have been determined, they are as follows: the service is strongly oriented to the client, because their feature is to bring additional income in a short period of time when the funds are large. Taking this into account, we consider financial and banking services to be a scientific treatment, which are significantly different from the previous appearance of services, have a new level of service quality, bring additional income, give an advantage in the competition during a short life cycle, and are characterized by a high level of risk of investments, and their activity is an activity aimed at introducing new and or improved forms that have a positive effect on development. In this definition, the role and importance of financial and banking services is somewhat more widely expressed.

The role and importance of financial-banking services in introducing and managing financial-banking services, implementing pricing policy, developing advertising strategy and strengthening marketing are expressed somewhat more broadly. It is possible to describe the life cycle of financial banking services, from the introduction and management of financial banking services, the implementation of pricing policy, the development of advertising strategies and the strengthening of marketing.

Currently, the economy of our country is characterized by the rapid development of financial institutions. The banking sector and their services, in particular, are developing rapidly. In recent years, modern commercial banks have begun to introduce innovations in certain segments of banking activity to achieve competitive advantages, including:

- 1) in the field of customer service;
- 2) in the field of service provision;
- 3) content and appearance;
- 4) in the field of activity management;

The development and implementation of innovative services in banks primarily affects competition among banking structures. However, it should be noted that in the process of rapid entry of foreign banks, the situation in the financial market of our country may change, unfortunately, in their favor. If banks from developed countries offer a universal service package, or existing foreign banks rapidly expand their business, then our country's banks will have to improve the quality of banking services and expand their spectrum to world standards in order to compete with Western banks. In such conditions, the search for and implementation of innovative services by commercial banks becomes particularly relevant.

### Conclusion

Taking into account the above, we consider it appropriate to carry out a systematic analysis of the services of financial institutions. For this, we offer services based on the nature of the requirements to be met and to meet existing and future growing needs and to meet existing and future growing needs. The first include the following: fast electronic money transfers to the CIS countries; electronic services for money

transfers within the international system; electronic services for rapid collection and transfer of cash using Internet technologies; microprocessor cards; forward services; futures services; options contract services; forfeiting services; project lending. The following can be included in the second group: telebanking; internet banking; home banking; corporate financing; fiduciary services.

Foreign experience testifies that there are new opportunities for customer service - innovative services - internet banking and home banking. In the experience of our country, the People's Bank could deal with these forms of services, today our banks do not have a certain experience in the strategy of carrying out the internet banking market, therefore, in essence, it does not allow the wide development of internet banking. The field of Internet-based services is not yet developed. The home banking market remains unsolved due to lack of demand, and the banks have taken a passive position for now, not actively promoting innovative services. However, in fairness, it should be noted that there are a number of problems faced by banks in the development and introduction of Internet services. The reasons that prevent the development of Internet banking services may be the lack of trust of the population in this banking system, the insufficient security of transactions over the Internet, the low level of computerization of the population, and the widespread use of the Internet. But there is a problem with the banks themselves, that is, most of them cannot develop innovative service even after installing internet banking equipment, as a result, internet services cannot be closed to special business managers of projects. We believe that having such projects overseen by information technology service personnel will help to overcome existing shortcomings.

The development of innovative banking services largely depends on the method of price formation for these services, in addition, it is important to take into account their place in banking activities in the course of their specialization.

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