

Key Issues of Increasing the Competitiveness of Commercial Banks

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Annotation: This article will expand the range of services provided to customers of commercial banks, along with the introduction of new banking services, the bank's marketing of commercial banks in this regard, and should be well-developed principles to achieve high efficiency with the ability to be competitive.

Keywords: banking system, competition, strategy, banking product, banking services.

Introduction

The development of the digital economy in Uzbekistan has a positive effect on the competitiveness of the country in all spheres, as well as on the stabilization of commercial banks. In this regard, President Sh.M. Mirziyoev in his Address to the Oliy Majlis said, "Digital technologies not only increase the quality of products and services, but also reduce excess costs." At the same time, they are also an effective tool in eliminating the scourge of corruption, which worries and bothers me the most. All of us need to deeply understand this [3]."

The development of the digital economy increases the need for information technologies and creates an opportunity to collect, generalize and effectively manage a large amount of information to increase the competitiveness of commercial banks.

In the Decree PF-60 of the President of the Republic of Uzbekistan on January 28, 2022 "On the Development Strategy of New Uzbekistan for 2022-2026", it is a priority to rapidly develop the service sector in the commercial banks operating in our country in the next five years, to radically change the structure of the services provided at the expense of modern high-tech types. defined as one of the tasks [1].

Literature review

The role of commercial banks in the banking system develops based on customer-oriented strategies. In this respect, banks compete with each other in providing innovative modern banking services to customers. In this regard, foreign economists A. Mardanov and R. Munasypov state that "One of the main goals of banks is to be based on the level of reliability and profitability in the provision of financial services, as well as the promptness in providing the required information and a clear understanding of the client's needs in order to attract the client to the bank [4].

Another foreign economist, Michael Porter, developed a recognized method of analyzing the relationship between innovation and competitiveness. According to him, the more developed the competition within the country and the higher the demands of buyers, the higher the probability of success in the international market of the organizations and institutions operating in this country [5].

The issues of increasing the competitiveness of banks in the market of banking services in Uzbekistan have been studied by many economists. For example, Bobokulov T.I., Toymukhamedov I.R., Berdiyarov B.T., Bekmurodova G.A [6]. and researched by others.

At the same time, in the conditions of today's digital transformation, the issue of researching the competitiveness of commercial banks is one of the most urgent issues.

Research methodology

In the preparation of this article, marketing strategies of banks were studied analytically, and all the given information was studied by the author in the form of certain legal documents and statistical indicators.

Analysis and results

Currently, 32 commercial banks are operating in the banking system of Uzbekistan. Of these, 13 banks are state-owned banks, while 16 banks are private banks or banks with foreign capital. Since July 2019, Tenge Bank has started its activities as a subsidiary bank of Kazakhstan "Halyk Bank". Georgia's TBC Bank, which bought the management package of shares of the Payme payment service, started banking operations in April this year. On August 26, 2020, the number one bank Anorbank launched its operations in Uzbekistan [7]. 2022 "Savdogar" bank shareholders approved changing the name of the bank to "Garant bank" [8].

In the "2020-2025 reform strategy [2]" of the banking system of the Republic of Uzbekistan, reduction of state intervention

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in the banking system, comprehensive transformation of state-owned banks and reduction of their dependence on state resources, increasing the level of financial intermediation for the private sector and the popularity of financial services in the future are indicated as the main directions of the banking sector reform in the five-year period.

In order to constantly assess the share of private banks in bank assets, as well as the effectiveness of reforms and transformation processes in the banking sector, the Center for Economic Research and Reforms developed the "Bank Activity Index" [8]. This index consists of two sub-indexes:

1. Financial intermediation and popularity index.
2. Bank activity index rating.

The financial popularity of banks indicates the level of opportunities for using financial services for small and medium-sized businesses and the level of attracting the "bankless" population to the banking sector.

Currently, in order to increase the competitiveness of banks, it is important to study, evaluate and analyze the composition of bank customers, retail and small business, corporate customers' demands and needs, develop customer-friendly offers by effectively organizing management, and create a system for the introduction of comprehensive services.

The following table presents a SWOT analysis of the assessment of the position and competitiveness of commercial banks in Uzbekistan.

Table 1. SWOT analysis of the assessment of the position and competitiveness of commercial banks in the financial market in Uzbekistan²

No	Strengths	Weaknesses
1	Availability of commercial banks and their branches, as well as mini-banks, geographically covering almost all regions of Uzbekistan	The fact that the population does not fully use the possibilities of branches and mini-banks network
2	Availability of experience of Uzbek banks with a long history	Modern banking services existing problems of not being implemented promptly
3	Availability of proactive and highly experienced personnel	Affiliate profitability low, lack of personnel
4	Competent founders existence and their support	Low level of diversification of loan portfolio and its effective management
	Opportunities	Threats
1	Availability of a diversified and comprehensive customer base of the population of Uzbekistan	Risk sensitivity of the loan portfolio, non-targeted use of preferential loans, problems related to collateral security
2	New types of services by the bank possibility of expansion	Sluggish bank earnings as a result of traditional customer service
3	Modern informative introduce technologies and programs reach	Due to the competition in the banking system, the transfer of customers to other commercial banks and the expansion of the network of branches in the regions by competing commercial banks
4	With international financial institutions establishment of permanent relations	It may occur on risk coverage sufficient amount of reserves lack of formation

Based on the analysis of the data in the above table, we believe that commercial banks should take the following measures to increase their competitiveness:

- improving the marketing system in order to study the attitude of customers to banking services;
- implementation of a comprehensive customer service system by the bank's attached employees;
- introduction of customer-friendly online and automatic payment services and products;
- to meet the needs of people with disabilities for banking services, to create all the necessary conditions for them to use banking services, including ramps, online sign language interpreters for the deaf and dumb, convenient parking places for vehicles and other opportunities;
- to create a system of independent assessment of the quality of banking services and their level of popularity.

Conclusions and suggestions

In general, strengthening the position of banks in the competitive market, increasing the customer base requires the introduction and development of modern banking products and services, in particular, online services.

2020 - strategy of reforming the banking system of the Republic of Uzbekistan for 2025 [2] in order to create the necessary conditions for the wide introduction of modern information and communication technologies, the automation of

² The table was created by the author

business processes of commercial banks and the expansion of remote banking services, in the process of corporate transformation of commercial banks the main tasks in the field of introduction of modern information and communication technologies are defined:

- expanding the number and coverage of remote banking services, including contactless payments;
- extensive use of automated scoring system, digital identification and credit conveyors;
- strengthening the information security of bank data and systems;
- wide introduction of new concepts and technologies in the banking sector (fintech, digital banking).

The goal of these tasks is to increase the financial and legal literacy of the population during the development of the digital economy in our republic, and to accelerate the integration of our country in the international arena.

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