



IMPORTANCE OF IMPLEMENTATION OF REMOTE BANKING SERVICES BY COMMERCIAL BANKS

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Abstract. *The rapid advancement of technology has transformed the way we live and conduct business. One of the most significant changes has been the introduction and rapid growth of internet banking. Internet banking, also known as online banking, digital banking, and e-banking, refers to the delivery of banking services and financial transactions over the internet. This article will examine the role of internet banking in society, exploring its benefits and challenges, impact on the economy, latest trends, and future prospects. The presence of inconsistencies in the process of providing remote banking services by commercial banks and the varying quality of remote banking services require special attention to be paid to this area. In the world, commercial banks are paying attention to scientific research aimed at the development of remote services and the introduction of new modern banking services and their quality improvement. This article focuses on the possibilities of developing remote banking services in commercial banks, on the fact that the criteria associated with the provision of remote banking services by banks are not reflected in the banking strategy, the types and quality of banking services are undergoing major changes, the establishment of mutual cooperation relations with foreign banks, as well as the positive application of foreign experience in Uzbekistan.*

Keywords: *internet banking, system, service, mobile applications*

Introduction. The number of services of the banking system, which is the main branch of the financial economic system around the world, is increasing day by day. The opportunity to offer traditional banking services, such as deposit attraction, payment, and loan allocation services based on today's demand, has opened a new era for banks. Today, at the time of rapid changes, it is evident that the market of banking services is the best developing activity in the financial market of Uzbekistan. Banks' efficiency and competitiveness largely depend on the introduction of new banking services and products. Along with the development of the market of banking services, modern banking services such as electronic banking (e-banking) began to be introduced. Remote banking service is a set of services that allow customers of the bank to carry out the necessary operations by connecting through various means of communication without going to the bank office.

"In the conditions of inter-bank competition, the development of techniques and technologies created the basis for the emergence of new modern services by banks in the market of banking services" [1].

"Internet banking", as the name suggests, is a service based on the transfer of

information via the Internet. The client uses a standard Internet browser to interact with the bank, which, in turn, makes the system an independent platform, which makes it possible to work in this system with any computer connected to the Internet.

At this point, it should be said that the concept of "Internet banking" is widely used today, but there is no specific definition of this term. The term "Internet-banking" means to simplify the task of the bank employee, and at the same time, it is possible to access and manage the customer's account without going to the bank, to perform several operations by various organizations in commercial banks in real time based on the Internet network. In other words, we can understand systems based on new technologies, starting from a bank site and ending with a complex virtual payment system. The reason is that "Internet-banking" is used by banks to conduct their service activities based on the Internet.

On the other hand, we will not be mistaken if we say that "Internet-banking" is similar to the "Bank-Client" system working with the Internet, its updated form and expanded capabilities. Legally, it is a service that enables electronic payments to be made between the client and the bank without going to the bank and to quickly exchange information.

Remote services provided by banks based on the Internet can be expressed as follows:

- to have online information on the client's account number;
- the client has the ability to manage the movement of funds according to his account;
- conducting payment transactions;
- monitoring of payment monitoring;
- replenishing and/or withdrawing funds from the account;

- to be able to transfer funds;
- processing loans.

In order for banks to provide services based on the Internet, a bank needs a separate site designed for the bank. The simplest option for the appearance of such sites is to provide information about the bank and make the image of the bank invisible.

As a result of increasing competition among Western European banks, various new services were designed and offered in order to not only retain but also attract more customers. At the same time, in the 80s of the 20th century, the offer of forms of banking services such as "home use" began to reach its peak.

Material and methods. The period of explosion of electronic banks began in the USA in 1995. One of the main reasons for this was the limitation of permission for banks operating in the USA to open branches in other states, and as a result "Internet-banking" appeared. The first fully electronic American bank, that is, a bank without a single office to work with customers, was Security First Network Bank (1995). According to the results of the first year, the value of the bank's assets is 110 mln. USD, the monthly capital growth increased by 20%, and the number of clients exceeded ten thousand. Today, the bank has customers in 45 US states. In 1996, Advance Bank, a subsidiary of the Dresden (Germany) Bank, started its operations as the first "Virtual" bank in Europe. After that, among many other banks, Netbank (1996), Compubank (1998), BankDirect (founded in 1999) began to offer Internet banking.

Development of remote banking services in Russia. It started in the 90s. As the first bank to offer new services, Inkombank created the ground for more efficient operation with its "Inkom-Telebank" system. But after the crisis of 1998, Avtobank and Guta-bank appeared on the big stage as



active participants in the market of remote banking services. We can point out "AvtoBank" (Bank Uralsib) as the founder of virtual banking in Russia, since it started to provide this service to its customers since May 1998. We can also see Bank24.ru as the first fully "virtual" bank (and today the only one in Russia) operating in the market of the Sverdlovsk region. This bank serves its customers 24 hours a day as an automated bank and focuses on quality service and its branding and marketing. "Internet-banking" service, which was first widely used in America and Western European countries, over time began to be actively used in other countries of the world as it is today.

"The introduction of information and communication technologies and the use of these technologies in the economy have a great impact on the economic growth of the country. Research shows that one of the factors that negatively affects per capita income and productivity is the reduced use of new modern technologies in the future"[2].

In addition to the fact that commercial banks operate under the conditions, they in turn increase the scope of their innovative activities and use information resources effectively in the rational use of modern tools. Information technology increases the advantage of commercial banks, fills them with new content and affects the relationship between them. In addition, information technology significantly affects the competitiveness of banks, changes the type of products offered to customers. In the modern conditions of the development of economic relations, information technology remains one of the main factors of quality and effective management of bank resources. The emergence of modern information technologies affects the implementation of the strategic policy of commercial banks.

Above, we have researched the theoretical views on direct banking services

and their development. Now let's consider the scientific-theoretical views of economists on improving the provision of remote banking services. Scientific-theoretical and practical aspects of improving remote banking services in commercial banks foreign economists H. Douglas, G. Bryan, F. Derek, O. Donnell, E. Ballarin, D. Gentle, J. Sinki, I. I. Bychkova, O. I. Lavrushin, A.M.Tavasiev, T.Yu.Mazurina, V.B.Bychkov, E.P.Zharkovskaya, A.S.Goncharuk and others, and among the economists of Uzbekistan Sh.Abdullaeva, A.O.Ortikov, Z. T.Mamadiyarov, Kh.Khudoyarova, A.Rahimov, and others have studied it in detail.

It is known that the history of the theory of services provided by banks has gone through several stages. At the initial stage of the development of the theory of banking services, the scientific works of H. Douglas and G. Bryan [10] were devoted to the study of the market of banking services and its segment of banking services. In the second stage, it is reflected in the scientific works of F.Derek O.Donnell, E.Ballarin [11] dedicated to researching the characteristics of economic systems of countries and the impact of other factors on the market of banking services. In the next 3rd stage, ideas on the ideas of "Financial Supermarket" and "Financial Boutique" were put forward the banking market, the availability of electronic services has become widespread, and the number of mergers and acquisitions of banks has increased. In this regard, the scientific works of D. Gentle, J. Sinki, P. Rose can be highlighted.

Economist I.I. Bychkova considers that "remote services of commercial banks are implemented in most cases based on the customer's order through computer technologies and telephone network without going to the bank." O.I. Lavrushin defines that "remote services of banks are complex



services of the bank for remote authorization of various banking operations to its clients (individuals and legal entities)". According to Russian scientists A.M.Tavasiev, T.Yu.Mazurina, V.B.Bychkov, "banking services can be considered as an additional type of banking operations by referring to banking operations. E.P. Zharkovskaya gives the definition that "... remote bank services are not in the presence of a bank employee and the client at the bank office, but at home, at the workplace, in any place that is convenient

for the client." **Results.** The need for remote services provided by commercial banks is directly reflected in issues such as the importance of services based on new technologies abroad and in the economy of our republic, the existence of demand for new modern services due to the increase in the level of financial literacy of bank customers, the importance of reducing costs for the bank.

Based on this, we found it appropriate to analyze a number of specific features of remote banking services.

Table-1

Distinctive features of remote banking services ¹

Criteria	Essence
Availability of remote service	The system can be activated remotely by the client
Ease of setup	Setup regardless of the client's phone model
Interface to be convenient	The system should be as precise as necessary
Variety of banking operations	The functionality should cover all required banking transactions
Absence of mediation fee	transactions carried out using the system should not be charged any additional brokerage fees
Universality	The system works on any device

From the data in the table, we can see that remote banking services have a number of advantages. In particular, the availability of remote service allows the client to start the system from anywhere. This saves time.

Therefore, the entire economy of developed countries has now moved to an innovative type of development, and the

banking sector is no exception. Along with creating general conditions for the development of the bank, organizational and economic innovations are the basis for effective innovation policy in the field of creating new banking products and technologies [3].

Table-2

Modern organizational and economic innovations used in the practice of commercial banks [4]

№	The name of the innovation	Brief description	Bank management facilities
1.	Business process reengineering	Fundamental changes in core business processes in order to achieve a significant increase in production, quality and reduction of time costs	Reorganization of processes, shredding, reduction of time costs, horizontal organization, analysis of cost effectiveness

¹ Муаллиф ишланмаси

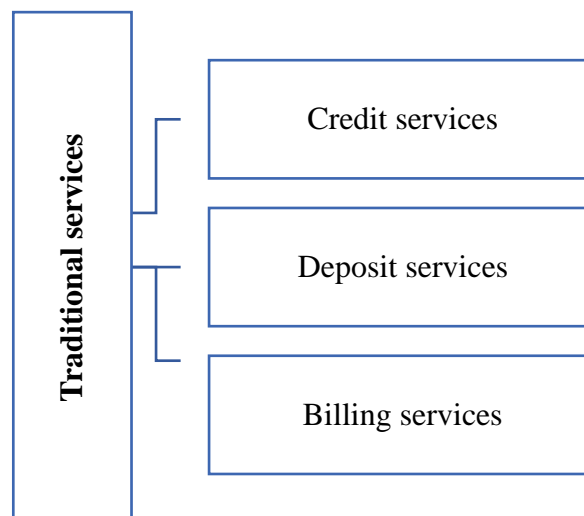
2.	Process-oriented management	Tracking total and indirect costs for all processes, taking into account specific products and customers, the ability to accurately allocate costs, make optimal decisions	Cost management, customer profitability analysis, product line profitability
3.	Performance indicators system	Conducting the mission and conducting quantitative measurements and monitoring the planned results of the activities	Management of business units, performance-based payments, strategic balance sheet
4.	Benchmarking	Compare costs and performance with Hicob's internal and external endpoints. Applying the best methods to achieve the set goals	Cost management, competitive analysis
5.	Basic competence	Investing in special innovations or technologies that create unique value for customers	Key customers, key success factors
6.	Customer relationship management (SRM-technologies)	Gathering information to better understand customers in order to acquire, retain and grow the most loyal customers	Business partnership, customer retention, customer segmentation, loyalty management

It should be noted that the development of remote services in the banking system is related to a number of objective features of the existing economic and social environment, first of all, changes in people's lives, the introduction of new information technologies, and the automation of banking operations. As a result of the passage of time, as a result of the development and progress of the concept of banking, the types of banking services have expanded and improved. Of course, when talking about the types of

banking services, it is impossible not to dwell on their types. We study banking services according to their development into the following types:

1. Traditional banking services;
2. Non-traditional banking services.

Detailed information is provided in scientific research about the emergence of banking services before the emergence of a special organization called a bank. Traditional services of banks can be seen in the picture below.



1– figure. Traditional services of banks [5]

The traditional services of commercial banks include the services provided to their customers with the emergence of the banking system, and these are services specific to all banks. Deposit and credit services in banks are the main part of the traditional services of banks. In banks, we can recognize

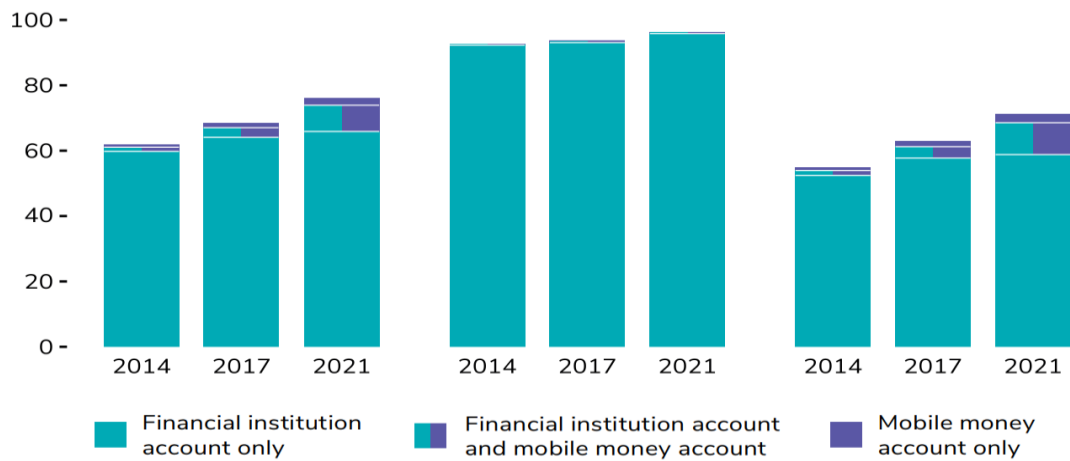
new services that meet the requirements of the times as non-traditional services. Such types of services contribute to the development of the competitive environment in the market of banking services and the expansion of opportunities created for consumers of banking services.



2-figure. Non-traditional services of banks [6]

Unconventional banking services help to increase the quality of banking services and increase the types of services while creating convenience for customers." Today, it has become natural to use services managed remotely without going to the bank directly through electronic devices. As a result, it should be noted that banks have started thinking about remote services like "electronic banking". Electronic banking also consists of several types of banking services. Mobile-Banking is management of bank cards or account numbers through pocket computers, communicators and smartphones. Works online. Allows you to work with all types of financial documents. It also enables teamwork

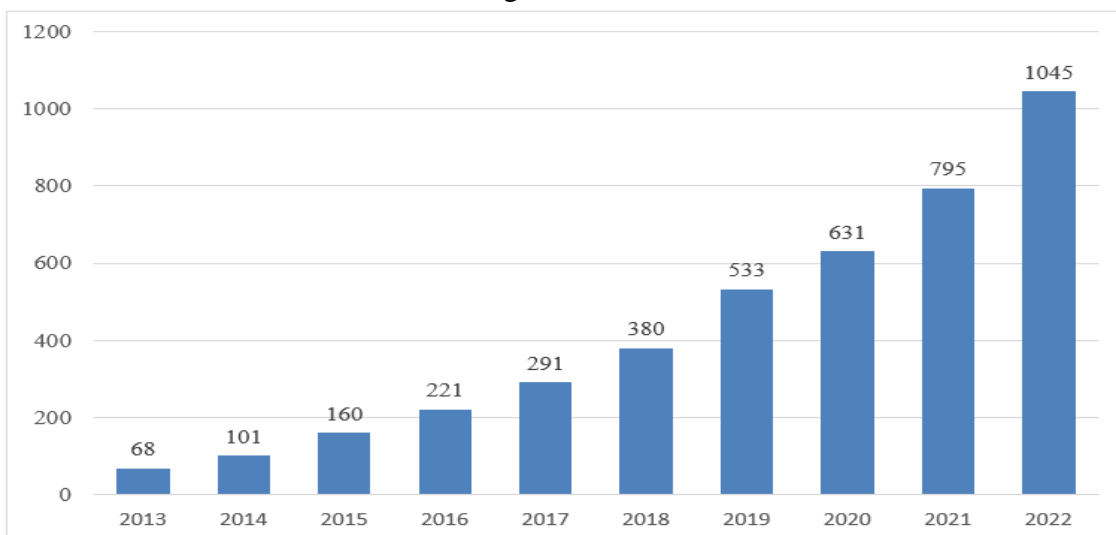
by including an encryption engine and electronic digital signature (EDI). Mobile-Banking operates around the clock, implementing the concept of "Bank in the palm of your hand", providing fast and fully functional use of the spectrum of electronic banking services for customers. It may seem counterintuitive for a bank whose goal is to attract assets to make it difficult for customers to make deposits, but this may be true in the case of some online banks. With online banking, you can't just drop cash or a check at a local branch. In fact, some online banks, like Ally Bank, don't accept cash deposits at all.



3-figure. Those who have a paid account via mobile devices (in percent)[7]

The analysis shows that paid hijab access via mobile devices contributed to an 8 percent increase in hijab ownership in developing countries between 2014 and 2021. Overall, consumer behavior and smart device trends are driving banking technology advances toward convenience. Increasingly, remote technology allows you to interact with your bank from the palm of your hand. And you can expect a new customer experience from your email inbox to visiting a real branch, probably sooner than you think. Even before the humanitarian and economic challenges of

COVID-19, the US consumer banking industry was in the midst of transformational change. Persistently low interest rates have forced banks to rethink their business models and look for new sources of income. Consumers' desire for simple, fast digital communications has put pressure on banks to improve the customer experience, streamline their processes and re-evaluate the size of their branch networks. The pandemic has accelerated these existing trends and added new ones.



5-figure. Total annual value of transactions made via mobile devices in Russia [9] (billion US dollars)



Note that mobile transactions in Russia have been growing over the years. Similarly, the value of transactions made through mobile devices has also increased. However, if we pay attention to the situation in 2022, we can see a downward trend directly due to the impact of the war between Russia and Ukraine.

This indicator will be 13.57 billion in 2021. amounted to 11.28 billion dollars in 2022. equal to the dollar. While it's unclear how long the downturn will last and exactly how much of this year's digital adoption will be permanent, it's clear that this is no time to take a wait-and-see approach or stop the idea of transformation. U.S. consumer banks have a window to create and implement a "clean sheet" path that opens up growth under the next normal conditions. These initiatives are divided into three important areas: 1) physical distribution, 2) remote consulting and 3) digitization of sales and services. Bank of America has reimagined how customers unlock their digital IDs, overhauling and simplifying every step. As a result, we cut the time it takes our clients to fill out an application by more than half. In fact, there was almost a 200% year-over-year increase in digital checkbook opens in the first few months alone. Number Report - The numbers were the highest in US bank history for the total number of audit reports opened in December. When customers apply, they experience an easy, intuitive process. The app pre-fills information for existing customers and also includes other top-of-the-line features like address auto-fill – saving time and minimizing errors. Also, some banks

have greatly shortened the programs, reducing the number of screens to almost two-thirds, synthesizing general questions and removing information that is not necessary for opening a hijab. Now it's possible to open an account with a US bank in five minutes or less, along with many other great experiences. The top-rated mobile app in the US, multiple award-winning affiliate networks, the award-winning Smart Assistant, and more are available.

Conclusion. Remote banking service is a set of services that allow customers of the bank to carry out the necessary operations by connecting through various means of communication without going to the bank office. Remote services provided by banks and their development create a number of positive results and opportunities not only for one party, that is, customers, but also for the commercial bank. Development of banks' activities, improvement of service quality, and increase in efficiency, directly providing banking services on the basis of new technologies, will cause a decrease in bank costs, which, in turn, will lead to the development of the practice of using their resources by banks. The analysis shows that paid hijab access via mobile devices contributed to an 8 percent increase in hijab ownership in developing countries between 2014 and 2021. The fact that the total annual value of transactions made through mobile devices in the USA will reach more than 1 trillion dollars by the beginning of 2022 can be attributed to the large-scale attraction of new customers and the quality of the services provided.

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