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Improving the Services of Commercial Banks Through Marketing Activities in the Context of Interbank Competition

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Taking into account the economic processes that have occurred in the world and in major trading partner countries in recent years, a continuous macroeconomic policy is being pursued aimed at preventing their negative impact on the economy of our country, stimulating domestic demand and investment activity in the real sector, creating the financial resources necessary for entrepreneurial activity, and achieving balanced economic growth rates by ensuring the expansion of production volumes in all sectors.

The fact that the topic of improving marketing activities in the banking system is a poorly studied problematic issue prompted us to prepare a research paper on this topic.

Bank marketing, by its very nature, is the use of a set of technical methods by the bank to satisfy the needs of customers and generate income for the bank during the provision of services.

In recent years, the need for a serious marketing analysis of the relationship between banks and their customers has increased in commercial banks of our republic. Due to the intensification of competition in the financial market, marketing is being given increasing importance.

Currently, the following main components are being included in the concept of marketing in the banking sector:

- identification of existing and potential markets for the purpose of providing services;
- selection of the most profitable areas of offering banking services, identification of customer needs in these areas;
- setting short and long-term goals for the development of existing services and the creation of new ones;
- offering services in a way that attracts the attention of customers, while observing the conditions of constant control by the bank over their qualitative implementation and profit generation.

Today, in our republic, competition between banking institutions, the struggle for customers, and ensuring the continuity of customers' use of banking services are becoming increasingly intense, which, in turn, has made the promotion of banking products and services through digital channels and the prompt provision of information about banking products to customers the first and main

task in bank marketing.

In today's era, when individuals and legal entities still have a partial distrust of financial institutions, customers are demanding banking services and are actively using various digital channels to obtain impartial financial advice in the banking segment.

However, we cannot say that commercial banks operating in our republic are fully using bank marketing, digital technologies in marketing research, active marketing research. Often there are single surveys, which are not enough to provide complete information for the effective functioning of the bank. In this regard, it is important to use modern methods of continuous study of customer behavior in bank marketing, another important issue today, to identify factors such as the financial security of customers.

In the context of healthy competition in the banking system of Uzbekistan, it justifies the need to conduct interbank analysis, bank marketing and the use of digital technologies in its development. Each bank has departments that deal with a large number of different aspects of marketing. In most cases, these aspects include:

1. study competitors who are achieving leadership in the market for lending, accepting deposits and providing other services;
2. Compare competitors with your own bank.

Looking back, we can see that over the past 20-30 years, payment systems and digital financial services have been developing rapidly. That is, from the active introduction of ATMs (ATMs) and bank cards by banks, to the provision of large-scale services remotely and at any time, major changes associated with the transition to 24/7 service have not only yielded results, but also continue to develop. Thus, digital transformation should be the main condition for effective work in the banking services market. In such conditions, a fundamentally new business model is being created, in which traditionally formulated approaches to solving the problems of expanding the customer base are being reconsidered, while the quality and speed of service are increasing.

The new stage of development and improvement of the directions of increasing the popularity of financial banks inevitably leads to digital transformation, banking products, services, marketing and sales, customer service and operational processes are being transferred to the digital environment.

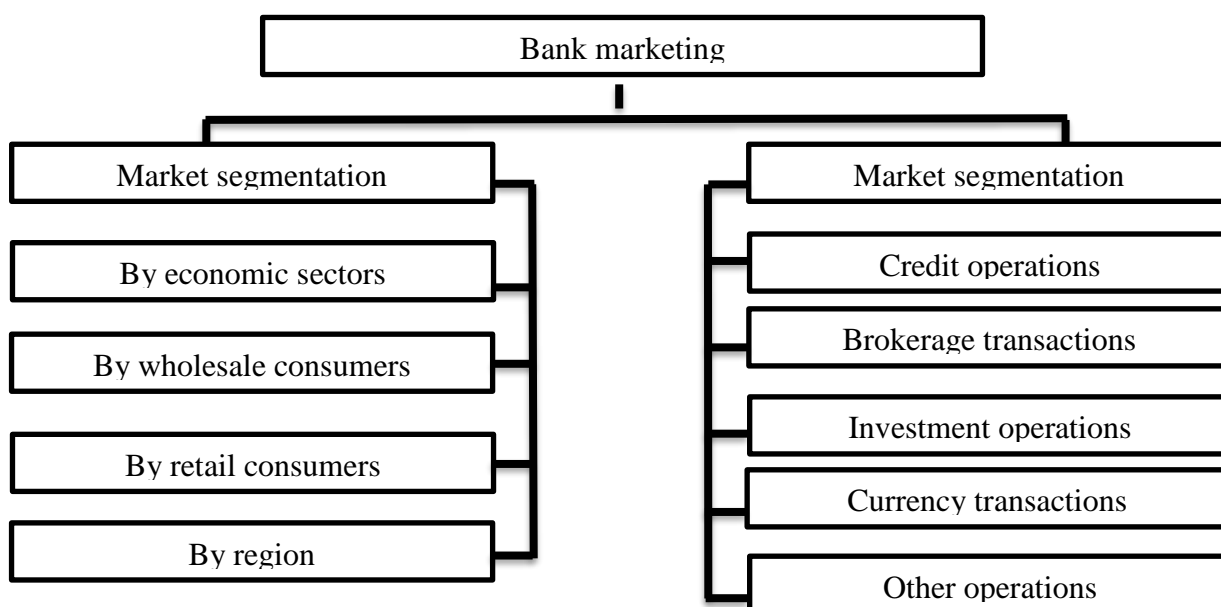


Figure 1. Bank marketing methods [2]

Digitization is gaining momentum and creating competition for existing traditional business models. The market size of mobile and contactless payments, P2P (Peer-to-peer) services, digital currencies and others is growing rapidly. Mobility, customer focus, personalization of the offer are the main components of the digital banking concept.

Currently, the Uzbek banking market is focused on improving banking products and services, introducing new innovative banking services that fully cover the interests of society. However, with the development of credit relations, the obligations of banks are also increasing, and the demands and needs of customers, as well as their needs for banking services, are also increasing. With the help of bank marketing, the needs and needs of customers are met, which increases the volume of banking services, which ultimately leads to an increase in bank income. Thus, having studied foreign experience, it is necessary to introduce and improve high-quality banking products that are in high demand in the Uzbek market and meet the needs of different segments of the population.

In order to study the banking services market and identify potential customers for them, commercial banks widely use the traditional methods of industrial and trade marketing, such as segmentation and market segmentation.

Market segmentation involves dividing the banking services market based on the characteristics of consumer demands and offers. The method of segmentation in the banking services market has been widely studied. (Figure 1).

The segmentation method divides banking service consumers into groups based on socio-economic and demographic factors. Market segmentation involves grouping consumer characteristics in the banking services market. In practice, marketing activities attempt to implement these methods in direct connection. Only then will marketing activities in the banking services market be effective.

As is known, today the need to be aware of the capabilities of the Internet and be able to use them is growing worldwide. Initially, the Internet was considered a repository of various information and knowledge, but now the opportunities for productive collaboration using the Internet are also developing. It is precisely these capabilities that the Internet attracts users, and these capabilities are widely used, especially in entrepreneurship, economic development, including bank marketing. Banks, by making effective use of these capabilities, act as intermediaries in providing customers with the necessary information and news about banking services, communicating with them using artificial intelligence, purchasing the necessary equipment and technologies, and making payments. [3]

Currently, the remote service system can be divided into two types of services provided to customers:

- via plastic cards;
- via commercial banks.

The third type of service: an ecosystem that includes all payments and services for individuals and business entities, with the ability to provide online services around the clock (24/7)[4]. The advantages of this system are 24/7 online service for business entities (legal clients). Today, in our country, banking services are provided only during the open part of the day, that is, from 9:00 on a business day to 17:00 on the last day of the business day.

The volume of cashless payments has increased through the widespread implementation of advanced digital technologies in the activities of commercial banks, improving the quality of service to the population and customers, and expanding the types of financial transactions carried out at ATMs and infokiosks (Figure 2).

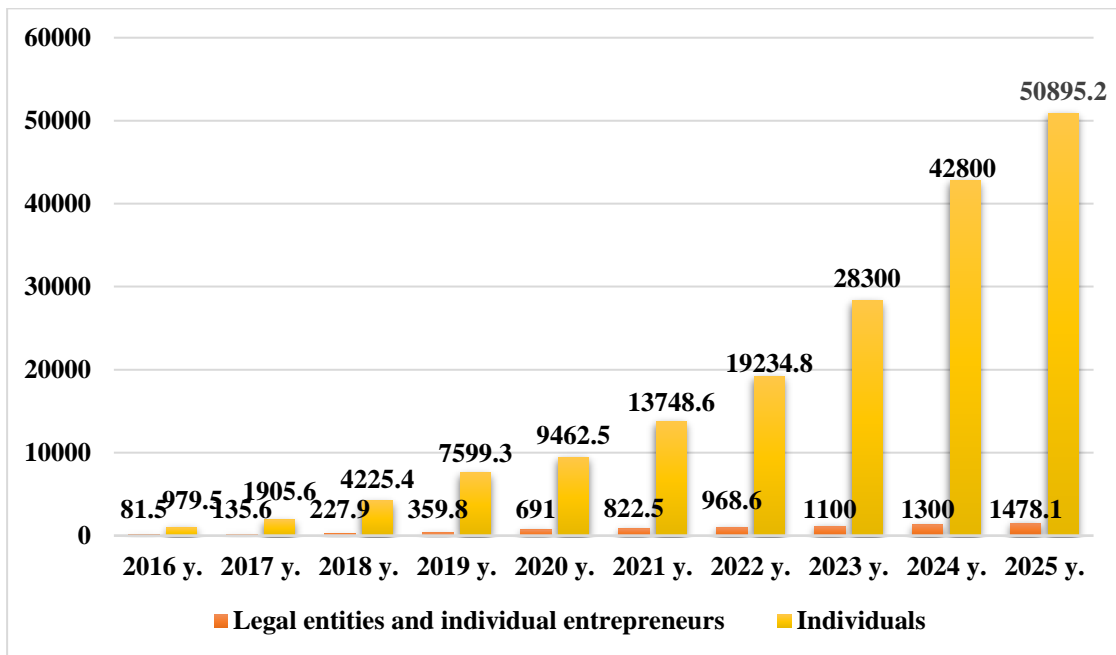


Figure 2. Number of users of remote banking systems (thousands by type) As of January 1. [5].

Figure 2 above shows the status of users of remote banking systems by type as of January 1, 2016-2025. While this indicator was used by 81.5 thousand legal entities and 979.5 thousand individuals in 2016, as of January 1, 2025, this indicator is 1,478.1 thousand legal entities and 50,895.2 thousand individuals. From this we can conclude that the demand for using these systems is increasing significantly.

Remote identification allows you to attract new customers and develop competition in the financial market by reducing the cost of banking services. As a result, the implementation of these works will also stimulate the growth of bank profits.

The widespread introduction of remote banking services (mobile banking, internet banking), in turn, requires appropriate marketing activities for new banking services. [6]

The need for the use of digital technologies in marketing services and their development in banks has increased in recent years. In conclusion, today's marketing services and their development in banks require digital technologies to implement the following priority tasks:

- marketing activities in all commercial banks based on the introduction of new modern banking services such as "home banking", "internet banking", "mobile banking" and their development in existing banks;
- conducting constant marketing research to expand the customer base and improve their quantitative and qualitative indicators;
- widely attracting highly qualified marketing specialists to the bank and organizing various training seminars and coaching sessions with their participation;
- increasing the number and scope of remote banking services, including contactless payments, widespread use of automated systems, digital identification and credit conveyor, introduction of new concepts and technologies in the banking sector (marketplace, voice technologies);
- taking into account competition from non-bank institutions when developing a bank marketing strategy, and constantly monitoring the procedure for granting loans to clients by credit unions, interest rates and customer requirements;
- to conduct a thorough analysis of the issue of using the services of popular newspapers with large circulations, reaching readers in all regions of the country, together with central

newspapers and magazines, in advertising banking services by commercial banks;

- to activate partnership relations between commercial banks and their clients;
- to automate existing business processes of the bank in order to improve the quality of services provided, operational efficiency and management system through the development of new high-tech banking products and the introduction of modern information and communication technologies;
- development and implementation of a system of key performance indicators (KPI) for bank employees and structural divisions.
- active use of modern marketing and PR methods is necessary to create a positive image of the bank and develop public relations, as well as to implement a marketing strategy in accordance with the overall strategic goals of the bank.

In our opinion, the above proposals justify the need for the use of digital technologies in marketing services and their development in banks, and ensure seamless cooperation between banks and customers.

Banks play the role of the lifeblood of the economy of all countries. They store idle funds of individuals and legal entities, accept deposits and pay interest on them, lend and collect interest on them, and carry out money transfer operations.

Bank marketing plays a key role in systematically and optimally organizing this process. The market for banking services differs from other markets in the nature of its participating entities and products.

Legal entities and individuals who have free funds and want to deposit them or who need to have their own account number or who need to receive funds on credit are considered consumers of this market. The bank, on the other hand, participates as a service provider (producer).

The product of this market is the services provided by the bank to meet the emerging needs of consumers in the field of monetary funds.

In the banking practice of developing countries, scientific research is being conducted to develop the marketing system in banks in the field of ensuring the financial stability of commercial banks, increase the level of capitalization of banks and ensure their liquidity, and increase the profitability of commercial banks and their assets.

It is advisable to implement measures to use bank marketing in the banking practice of Uzbekistan, taking into account advanced foreign experience in ensuring the financial stability of commercial banks.

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