STUDY OF THE QUALITY AND POPULARITY OF BANKING FINANCIAL SERVICES

Mirza Mirzaev,
Senior teacher at the department of finance and credit,
Tashkent Institute of Finance,
Tashkent, Uzbekistan. Email: secondarymail@inbox.ru
ORCID: 0000-0002-4837-770X
Muhammad Eid Balbaa, Ph.D.
Menofeya University, Egypt
Email:M.balbaa@tsue.uz

JEL Classification: *E5,E58*

Abstract. *On this article we discuss financial services provided by banks, the level of customers satisfaction with banking services in the digital economy, as well as the factors influencing it on the basis of theoretical and practical data. With Uzbekistan joining the May Declaration of the Global Alliance for Financial Inclusion, one of the priority areas of reforming the banking system and the activities of the Central Bank has become improving the quality, financial inclusion and financial literacy of the population. As part of the survey of the Central Bank, an analytical report was prepared on the quality of the provision of banking and other types of financial services in the Republic of Uzbekistan. In addition, having studied of foreign experience, it is substantiated that the increase in the quality of banking services directly leads to the improvement of customer satisfaction with financial services of banks and further development of banking competition in the market of banking services, as well as scientific proposals and practical recommendations were developed.*

Key words: *financial services, distance banking services, quality of banking services, popularity of services, customers satisfaction, classification of banking services.*

Introduction.

Creation of favorable conditions for customers in the conditions of interbank competition, organization of the service system on the basis of international standards, further improvement of service quality, creation of a clear and efficient mechanism for assessing banking services have a positive impact on the development of banking practice.

In accordance with the requirements of the development of the national economy in our country, a lot of effective work has been done in this area, and these relations have been further radically improved in recent years. In particular, it is important to note that "in order to improve the quality of banking services, the most important tasks in this area are the introduction of such indicators as efficiency of commercial banks, customer satisfaction index, customer service recommendation index ..." [1].

Therefore, today in our country such issues like "increase the popularity of financial services, expand access of banks to the regions and provide the same type of services in all settlements, the widespread introduction of information technology, financial technologies in the banking system based on modern service solutions, adequate information security, as well as reduce human impact on financial services” [2] are given priority.

The main purpose of this work is to create a dynamic, innovative and inclusive financial system for all segments of the population, including low-income people who are not adequately covered by financial services, and who have access to quality financial products and services for rural residents and small businesses.

These reforms will ensure the well-being of the population, the stability of the financial system and economic growth, as well as reduce the share of the shadow economy in the country by increasing financial literacy, expanding the popularity and access to basic financial services, strengthening public confidence in credit and payment institutions.

Materials and Methods.

The article provides a systematic analysis of the literature in the study of issues of increasing the quality of banking financial services. Also, the scientific conclusions of the research work carried out by foreign and local scientists in this area were studied and independent approaches were formed. The analysis of statistical data in the article covers 11 years (2012-2022) and identifies trends.

A number of local and foreign economists studied issues related to increasing bank financial services and enhancing their popularity.

There are various definitions of banking financial services. In particular, foreign economists J. Eklof, O. Podkoritova, A. Malova said that the high level of customer satisfaction with financial services leads to the improvement of the bank's financial service performance [3]. Indeed, if customers are satisfied with banking services, it will lead to an increase in confidence in the bank, an increase in the number of customers and, consequently, an increase in banks ’profits.

Economists Komwut Unyathanakorn and Nopadol Rompho noted that customer satisfaction with online banking services has a positive impact on the quality of banking services and the constant study and satisfaction of customer demand for their prices [4]. Today, the development of digital technologies around the world is directly leading to the development of online banking services and increasing the level of their use. This, in turn, creates the need to constantly update the quality of financial services provided by banks and their prices, taking into account the views of customers. The goal is to improve the quality and expand the popularity of services and hence to attract new customers and increase their satisfaction with banking services.

So, O.I. Lavrushin defines "a banking service as one or more bank operations that satisfy certain needs of the client, and the conduct of banking operations on behalf of the client in favor of the latter for a certain fee" [5].

According to Yu.V.Golovin, “a banking service is a set of operations representing a complete set of services that satisfy any need of a client” [6].

Among foreign scientists, such foreign specialists as D.Ariste, B. Buchwald, K.Davies, J.Seitz, A.Kenyon, S.Mathur, M.Porter are engaged in the study of banking services, who refer to banking