



## The Problems of Improving Banking Services

Alieva Susanna

Assistant professor of Samarkand institute of economics and service, Department  
“Finance”

**Abstract:** *The article discusses the internal economic reasons that have involved financial system market of the developing countries in unstable development. Especially, in the context of the ongoing post-impact of the coronavirus pandemic, it is noted that the existing interstate ties between market developing countries have led to a weakening of the service activities of banks and the savings of the population. Specific approaches are outlined to overcome the current circumstances and improve banking services.*

**Keywords:** *instability, financial assistance, services market, client, banking services, reliability, service, conjuncture, benefits.*

One of the main internal reasons that involved the financial system of the Republic of Uzbekistan into instability in the context of the coronavirus pandemic is the inefficient system of organizing work in many banks. At a certain stage in the development of the country's banking system in 2020-2021, many heads of financial institutions stopped paying due attention to the development of innovative banking services, considering the most convenient and profitable placement of assets in securities. Only a few banks were able to timely and correctly assess the situation and transfer part of their assets to other areas of the financial sector, which allowed them not only to calmly endure the shocks of the pandemic, but also to largely strengthen their positions in the banking services market.

Until now, the coronavirus pandemic and the events taking place between the Russian Federation and Ukraine have affected not only the majority of the population, but also the country. Even those who did not have private deposits in commercial banks were among those affected, as often the enterprises that employed people held accounts in banks that did not promote the development of innovative services. In addition, the impossibility of making settlements between counterparties played a huge role. The management of all levels faced the problem of choosing a reliable partner bank, and it is much more serious than it seems at first glance. The fact is that the so-called “systemic” banks, the vast majority of which are currently in a financial coma, had the greatest experience in servicing large clients. It is pointless to hope for state assistance in the resuscitation of these banks. In addition, financial management failures in banks undermine the confidence of clients in their future performance. And, if the heads of financial structures cannot influence the external factors of the occurrence of financial insolvency, then they are obliged to influence the internal ones. One of these internal factors is the organization of the management of the work of banking divisions, in particular, the organization of effective attraction of customers for servicing in a commercial bank. How can you build work to attract customers to a particular bank? What is the first thing a potential client of a bank pays attention to? Let's try to answer these questions.

At present, the banking services market has stabilized, the conditions for servicing legal entities and individuals are approximately the same, and the main struggle is now to attract new customers. In the sector of servicing the population, the leadership is confidently held by the National Bank, the controlling stake of which belongs to the state. This is the best guarantee of the safety of funds, and that is why up to 80% of citizens' deposits are concentrated on the accounts of



this bank. Nevertheless, according to various estimates, the population has from 10 to 15 billion US dollars in their hands, and these figures express, first of all, the general distrust of people in the reliability of the domestic banking system and the stability of the national currency. Most banks focus on the corporate client market, believing that servicing one large organization in terms of labor and material costs is much more profitable than servicing several tens or even hundreds of individuals.

At the same time, it should be noted that the corporate client market is divided even more rigidly than the public services market. The vast majority of really large enterprises are currently the founders of their own banks, other enterprises have been created “most favorable conditions”, which are expressed in the provision of preferential loans, the calculation of increased interest on account balances, preferential service rates, etc. Evidence of this state of affairs is that many banks have customer acquisition specialists whose main task is to increase the number of businesses served. Thus, according to the recognition of the heads of many banks, only 1-2% of potential customers with whom preliminary negotiations were held, go on to serve in this bank in the future. What is the reason for such low efficiency? There are several reasons.

First, the management of banks does not always adequately respond to changes in the market conditions for the supply of banking services. In other words, many bank rates, commissions, additional services to customers are not always competitive with similar operations in other banks. Secondly, the qualifications and salaries of specialists involved in attracting enterprises and organizations for servicing often do not correspond to the importance of the tasks set. And, thirdly, there is no clearly developed system for attracting customers to a particular bank. With the first two factors, everything is more or less clear, but the third reason requires detailed study.

What does the system for attracting corporate clients to serve include? First of all, it is the construction of a product model of the bank.

As already noted, at present the market for corporate clients is quite divided, and the services provided by banks to these clients are approximately the same. Under these conditions, additional services provided by banks, the quality and cost of standard services, as well as various types of assistance to enterprises in maintaining and expanding their business are of particular importance.

How can a particular bank be of interest to corporate clients of all levels?

1. High quality of execution of basic banking operations (settlement and cash services, interregional transfers, conversion, collection, etc.).
2. Flexible competitive tariffs for the main types of services (for example, the bank's tariffs for exchange operations with foreign currency may certainly be attractive for export-import organizations, and collection services for organizations working with cash).
3. The possibility of lending to fixed and working capital against various types of collateral, lack of overorganization when considering loan applications.
4. A variety of options for investing temporarily free funds of enterprises , a well-thought-out interest rate policy (higher than that of competitors, but below the limit when it may cause concern to the client).
5. Personalization of relations with the bank. Each client can work with a manager with sufficient authority to resolve current banking issues; this is a bank employee who accompanies the client, a basic financial consultant on all issues of the relationship between the bank and the client (correct execution of documents, tracking the passage of payments, assistance in placing funds, operations with letters of credit, securities, etc.).



6. A developed system of electronic services for customer service, low tariffs for their use, constant expansion of the services of this type.
7. Providing services for working with plastic cards. For a corporate client, this is always interesting, as it allows you to drastically reduce labor and material costs for the payment of salaries, the payment of benefits and rewards, frees up accounting staff, and allows you to have additional financial resources.
8. The readiness of the bank to work with individuals - employees of the enterprise and members of their families, the possibility of comprehensive cooperation with a banking insurance company.
9. Availability and interest in the cooperation of the top management of the bank, the possibility, when necessary, of direct access to the leaders.
10. The bank's interest in maintaining and expanding the client's business. What does it mean?

This means that all enterprises experience approximately the same difficulties in their work, namely:

- it is difficult to find new partners;
- it is necessary to expand markets for products and services;
- there are problems with various state structures (state and local authorities, etc.) when the business reaches a qualitatively new level;
- insufficient control over financial flows, ignorance of tax laws, incompetence of employees leads to unjustified losses in relations with the budget, an increase in the cost of production;
- there is a need for cooperation and interaction with related enterprises.

### Conclusion

The solution to these and other problems of customers, the bank can take over by creating an information center within the bank, where the basic needs of customers would be taken into account in a computer database. In this case, the client just needs to fill out a questionnaire or contact a personal manager if a specific question arises. It should be noted that this system is based, first of all, on constant close business contacts between the client and the personal manager, who must be aware of the main affairs and problems of the serviced organization.

### References:

1. Zaynalov Jahongir, Tulkin Sattarov, and Shokhrub Rasulov. "Influence of prices on the stability of the development of monetary policy." *Financial Space* 3 (15) (2014): 95-100. <https://fp.cibs.ubs.edu.ua/index.php/fp/article/view/287>
2. Zaynalov J. R., & Sattarov, T. A. (2011). Problems of ensuring the financial stability of enterprises. Monograph. Monograph. T.: "Shark". <https://scholar.google.com/scholar?cluster=17460956005944620652&hl=en&oi=scholar>
3. Khodjimamedov, A. (2022). Directions of innovative development of the banking system. *Economics and Innovative Technologies*, 10(4), 1-9. [https://scholar.google.com/scholar?cluster=15907112521016387691&hl=en&as\\_sdt=2005](https://scholar.google.com/scholar?cluster=15907112521016387691&hl=en&as_sdt=2005)