

IDENTIFICATION OF QUESTIONS ABOUT TRENDS IN THE DEVELOPMENT OF DIGITAL BANKING

ВЫЯВЛЕНИЕ ВОПРОСОВ О РАЗВИТИИ ЦИФРОВОГО БАНКИНГА

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Abstract. *The relevance of the analysis of trends in the development of digital banking is due to the fact that it can be useful in the development of strategic decisions by banks, on the basis of which it is possible to obtain a significant competitive advantage when working with clients. In the banking sector, as in a key segment of the economy of any country, digitalization processes are clearly reflected, the main trend of which is the gradual transfer of all banking operations to online mode. In addition, there is an increasing popularity of technologies for personalization of customer needs, remote identification, artificial intelligence, machine learning, big data, blockchain and Open API. At the same time, it is impossible not to pay attention to the risks associated with the digitalization of banking activities, such as the risk of economic security and the risk of lagging behind the possibilities of the banking environment's adaptability to new types of activities and payment instruments.*

Keywords: *digital banking, transition, growth trends, technologies and trends, development analysis, blockchain*

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Introduction.

At the present stage, the digital society is the reality that all countries of the world are striving for. The emergence of new services in the financial sector, the destruction of the usual patterns of interaction of participants in many ways change the paradigm of the development of the banking system. If earlier it was enough for banks to offer cheaper services than competitors to gain market share, now it is necessary to take into account modern trends in digitalization, look for innovative approaches, integrate with other products and services, including non-banking ones. Modern research in the field of banking activity indicates the ongoing adaptation of banking systems in advanced countries of the world to the digital model of banking services. At the same time, researchers pay little attention to the issues of studying the essence of the digital model of banking services [1].

Basic content.

"Digital Bank" is "... first of all, a bank without branches, which are replaced by employees of a banking or outsourcing contact center, as well as a courier service or an offline partner network" [2]. The main task of digital banking is to change the behavior of the bank itself. The Bank is always where the client needs it: in social networks, mobile devices and information services, in e-business and the Internet of Things, i.e. in real time anywhere in the digital space. It is safe to consider digital banking as a new approach to customer service using digital technologies.

The "face" of a digital bank is remote digital services — Internet banking, mobile banking, personal accounts, websites and other specialized services for private and corporate clients. Banks

direct a significant part of investments to the introduction of new services and functions, simplification of interfaces, improvement of reliability, security, availability and speed of online services [3].

Analysis of the variety of digital services used in the banking sector has shown that the main banking services are:

1) a system of non-cash payments for retail payments using cards. Banks pay great attention to the development of the infrastructure for receiving cards with an EMV microprocessor and contactless cards. Currently, this infrastructure is expanding due to an increase in the number of trade (service) organizations accepting cards for payment and payment terminals installed in them;

2) remote banking service systems (RBSS), which include [4]:

- internet banking, which provides customers with access to customer accounts and transactions at any time and from any device with Internet access;

- the client is a bank that provides the possibility of concluding contracts for closing current accounts and placing funds in term deposits using the public offer method, making settlements in Belarusian rubles and foreign currency, managing accounts, receiving statements and operational information about the status of accounts, sending structured documents to the bank to receive banking services (applications, crediting, etc.), using bank personal directories, electronic interaction with the bank, receiving news and important messages from the bank;

- TV banking, which is a service that makes it possible to make payments around the clock, receive account information and perform other operations using a home TV

- terminal banking, which is a customer service system through the bank's information kiosk;

- USSD banking, which provides the possibility of remote banking services using a mobile device through USSD requests;

- SMS banking, which provides the possibility of remote banking services using a mobile device via SMS messages.

Among the digital technologies used in the banking sector, there are several, by choosing which banks will be able to compete effectively in the digital economy.

An example is the technology of forming a transaction register (blockchain) - a sequence of interconnected blocks with information about operations performed in the system built on the basis of specified algorithms in a distributed database. The technology makes it possible to build decentralized interactions and ensure their security, which makes it possible to exclude an intermediary acting as a guarantor of the fulfillment of obligations of each participant. Cryptocurrencies have become the first mass approbation of blockchain technology. They are an international product created in the interests and for the service of all participants of the accounts, i.e., in fact, they provide safe trade in almost any goods, be it money, ideas, copyrights or anything else. Blockchain can be used to manage investments and real estate. My main point is that the risk when using blockchain from the point of view of security is minimal.

The technology of the future in the banking sector is Open Banking, which is a complex of processes and solutions for reliable electronic exchange based on the use of API (application programming interface) financial information and services, which allows third-party organizations to integrate banking services with financial and non-financial applications and services, increases the level of customer service.

Open Banking and API increase the attractiveness of the bank, allow you to reduce costs, develop your business, increase revenue, and also serve as a unique way to improve the quality of

interaction with customers and meet their needs in a secure, flexible and promising location using an ecosystem of third-party applications and services.

In order to constantly expand the audience of loyal customers, banks create the best conditions and tools for obtaining the necessary services, provide them with access to some internal tools. For example, the investment bank Goldman Sachs has created a special web platform Marquee, in which its clients can use the bank's internal tools for sorting and analyzing data.

The strategy of increasing the efficiency of banks is the transition to the business model of providing services "public clouds", which is used simultaneously by many companies. The public cloud allows organizations to get quick access to applications, save on creating and maintaining their own digital infrastructure by increasing scale, as well as free up the personnel involved in maintaining it for more important tasks [5].

In the digitalization of the banking business, 5 key trends can be identified that will have the strongest impact on the banking sector in the coming years [6]. A description of these trends is presented below.

Table 1. Trends of digitalization of banking business

Trend	Short description
Using DARK Group technologies	The DARK technology group includes distributed ledger (D - DLT), artificial intelligence (A - Artificial intelligence), augmented reality (R - Extended reality), quantum computing (Q - Quantum)
The use of technology to personalize needs and achieve a new level of digital intimacy with the client	The ability to analyze and interpret user actions, respecting their confidentiality, allows you to create a high-quality individual service that increases customer loyalty
Strengthening the skills of employees in the areas of working with digital technologies and training platforms with the help of new technological tools	It is advisable to apply the concept in banks. "Man +", in which each employee will use a combination of their own skills and knowledge together with an ever-changing bundle of technologies, from artificial intelligence to training platforms. In order for such a bundle to work successfully, banks will have to pay more attention to continuous staff training
Strengthening cyber defense	Banks' information systems are becoming increasingly interconnected with partners' IT infrastructures, which means that their potential vulnerability is growing, therefore banks must increase the resilience of cyberspace in such a way as to protect everyone.
Translation of most services in real time 24/7	Providing customers with access to any banking service at any time of the day and on any day of the week

It should be noted that digitalization is accompanied by certain risks. The issues of economic security are very acute, as well as the risks of a gradual blurring of the line between banking activities proper and non-banking activities and an increase in the speed of creating new payment instruments that outstrip the possibilities of the adaptability of the banking environment to it.

Digital banking is "... a movement towards online banking, in which banking services are provided via the Internet" [7]. This implies considerable convenience for the client, since there is no need to visit a physical bank office. An important role in the digital transformation of banking business is played not only by a front-office solution (mobile application or website), but also by automated systems of a banking organization, including technical and functional features. Currently, each bank has its own "Internet Banking" service. Such systems allow you to perform a number of standard operations, such as opening online deposits, online payments, transferring funds from card to card. However, there are also quite new offers for the Belarusian market, such as, for example, the issuance of online loans, online deposits.

Intensive digitalization of banking activity requires obtaining a sufficiently objective assessment of its level. This is becoming increasingly relevant, both for individual banks and for the financial and banking sector as a whole [8].

The assessment of the level of digitalization of banking activities can be made using various assessment models and indicators. In particular, compliance of banking technologies and services with standards and regulations, technical quality of technologies used and services provided, costs of implementation and maintenance of banking technology and provision of banking services, satisfaction of bank employees with the quality of technology and consumers with the quality of services, loyalty of bank employees and consumers and other indicators can be assessed.

Conclusions.

As a result of the conducted research, it was revealed that the main trend in the development of digital banking is the transfer of all banking operations to online mode and ensuring the availability of all banking operations 24/7, which will certainly create favorable conditions for increasing the competitiveness of banks both at the national and international levels.

The obtained research results have practical significance in banking. The identified and systematized technologies and trends in the development of digital banking make it possible, using models for assessing the level of digitalization of banking activities, to determine priority areas for improving digitalization in a particular bank, as well as to increase the competitiveness of a single bank and the banking system as a whole, to increase the availability of banking services.

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