

The Importance of Bank Digitalization

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Technology keeps evolving as a result of continual digitalization, giving us new tools that speed up and streamline our work processes. The banking industry must adopt digitalization, and it is more vulnerable to the intense pressure of change brought on by the worldwide pandemic. Many sectors are compelled to adopt digital technology and move more quickly toward a digital culture as a result. What does this entail for banks, then?

Understanding the requirements and desires of the client and investing in those needs and wants are required for this type of digital transformation in banking. To do this, the client journey must be mapped, and tools and apps must be created around it, focusing on certain crucial stages.

What is digitalisation in the banking industry?

The transition to providing online and digital services, as well as the enormous number of backend improvements necessary to enable this transformation, are what digitalization in banking mostly includes. Although the initial cost is high, you will eventually save money since it will increase customer satisfaction, free up personnel for activities that add value, like relationship development, and eventually save time by automating operations.

A digital customer journey, for instance, enables a consumer to click on an advertisement, register for an account online, get training and onboarding material through their smartphone, receive automated loan decisions, and pay bills or send money online.

Banks have more data the more digital services they provide. Banks may use this data to find possibilities, enhance goods and services, and automate fixes. They are able to more carefully customise particular steps in the consumer experience. Additionally, clients may go through some processes more quickly and easily because to technologies like AI and blockchain. In turn, this improves consumer satisfaction and fosters repeat business.

Benefits of digitalization in banking include:

- Data-driven judgments that are better. More digital services provide a more precise understanding of client demand, which may enhance decision-making and speed up growth.
- An improved user experience. Financial institutions will be able to satisfy each user's want and need by customizing the customer experience depending on information gathered. This encourages loyalty and hence boosts client retention.
- More customers. More customers have entered the banking sector as a result of Fintech's growth and competitiveness.
- Cost-cutting. Automating processes will increase efficiency, enabling banks to reduce operating expenses.
- Facilitating and Speeding Up Banking Transactions The way banking operations are conducted has changed as a result of digitalization in the industry. Before the advent of digitalization, for instance, a potential borrower would have to provide dozens of pages of paperwork for a loan application and wait months for a response. However, in the digital era, clients are no longer required to physically visit the bank to finish financial transactions. They may transfer money between their

accounts, pay bills, and check the balance of their accounts using the bank's mobile and internet banking services. They may obtain a loan without ever setting foot inside a bank. Financial transactions for customers are now quicker and more simple.

What is the future of digital banking?

In response to the growing demand for digital and virtual banking, new companies are transforming the banking experience for both consumers and businesses. As a consequence, it is predicted that the market would grow between 2022 and 2030 at a compound annual rate of 23.1%, indicating that the digital banking industry is poised to reach a tipping point.

Conclusion

For both businesses and customers, digitalization has created a whole new universe of opportunity in the banking industry. It has produced safer, quicker payments and more delighted consumers, as well as improved data-driven choices, more efficiency, and cost savings.

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