METHODOLOGY FOR ENHANCING THE COMPETITIVENESS OF RETAIL BANKING SERVICES AMID GLOBAL TRANSFORMATIONS

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Abstract

This thesis explores ways to improve the institutional foundation and digital monitoring infrastructure of the methodology for enhancing the competitiveness of retail banking services amid global transformations. Based on an analysis of regulatory documents, the IMF 2025 FSAP report, and KPMG 2025 digital banking research, it is shown that while digital channels have expanded, retail service indicators are not substantively linked to cost-to-income optimization and lifecycle personalization. A conditional sequence, the "single client ID – single customer journey metric – single data source" principle, and five readiness indicators are substantiated.

Keywords

retail banking services, bank competitiveness, global transformation, digital banking ecosystem, customer experience, cost-to-income ratio.

GLOBAL TRANSFORMATSIYALAR SHAROITIDA CHAKANA BANK XIZMATLARI RAQOBATBARDOSHLIGINI OSHIRISH METODOLOGIYASI

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Annotatsiya. Mazkur tezisda global transformatsiyalar sharoitida chakana bank xizmatlari raqobatbardoshligini oshirish metodologiyasining institutsional poydevori va raqamli monitoring infratuzilmasini takomillashtirish yo‘llari tadqiq etilgan. Me’yoriy

hujjatlar, XVJning 2025-yilgi FSAP hisoboti va KPMG 2025 tadqiqoti tahlili asosida raqamli kanallar kengaygani, biroq chakana xizmat ko‘rsatkichlari operatsion xarajatlar samaradorligi va mijoz hayotiy sikliga mazmunan bog‘lanmagani ko‘rsatilgan. Transformatsiyaning shartli ketma-ketligi, «yagona mijoz kodi – yagona mijoz yo‘li ko‘rsatkichi – yagona ma’lumot manbai» tamoyili hamda beshta ko‘rsatkich asoslab berilgan.

Kalit so‘zlar: chakana bank xizmatlari, bank raqobatbardoshligi, global transformatsiya, raqamli bank ekotizimi, mijoz tajribasi, xarajat va daromad nisbati.

МЕТОДОЛОГИЯ ПОВЫШЕНИЯ КОНКУРЕНТОСПОСОБНОСТИ РОЗНИЧНЫХ БАНКОВСКИХ УСЛУГ В УСЛОВИЯХ ГЛОБАЛЬНЫХ ТРАНСФОРМАЦИЙ

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Аннотация. В данных тезисах исследованы пути совершенствования институциональной основы и инфраструктуры цифрового мониторинга методологии повышения конкурентоспособности розничных банковских услуг в условиях глобальных трансформаций. На основе анализа нормативных актов, отчета МВФ FSAP 2025 и исследования KPMG 2025 показано, что цифровые каналы расширены, однако показатели розничных услуг содержательно не увязаны с оптимизацией издержек и жизненным циклом клиента. Обоснованы условная последовательность трансформации, принцип «единый код клиента – единый показатель клиентского пути – единый источник данных» и пять показателей оценки.

Ключевые слова: розничные банковские услуги, конкурентоспособность банка, глобальная трансформация, цифровая банковская экосистема, клиентский опыт, отношение издержек к доходам.

INTRODUCTION

The methodology for enhancing the competitiveness of retail banking services amid global transformations is a systematic framework for designing, delivering, pricing, and evaluating household financial products across omnichannel ecosystems [King 2018: 44], whose effectiveness depends on how substantively customer experience and unit-cost indicators guide resource allocation. Modern banking theory requires that retail competitiveness shift from physical branch rivalry toward embedded finance, behavioral personalization, and algorithmic credit underwriting [Saunders, Cornett 2014: 382; KPMG 2025].

In Uzbekistan, Presidential Resolution No. PQ-3620 of March 23, 2018 established the regulatory framework for increasing the availability of banking services, introducing remote digital identification, and modernizing consumer credit scoring [President 2018]. Furthermore, Presidential Decree No. PF-5992 of May 12, 2020 approved the 2020–2025 Banking System Reform Strategy, mandating the transformation of commercial banks into client-centric institutions, the expansion of digital retail channels, and the commercialization of state-owned banks [President 2020].

However, launching digital interfaces alone does not guarantee sustainable retail competitiveness. The 2025 IMF Financial Sector Assessment Program (FSAP) report on Uzbekistan revealed that while household lending expanded rapidly—reaching 61.5 percent of loans in foreign banks, 46.2 percent in domestic private banks, and 25.3 percent in state-owned commercial banks (SOCBs)—the banking sector's average cost-to-income ratio remains elevated at 74.3 percent (78.6 percent in private banks and 72.5 percent in SOCBs) due to reliance on costly physical branches and cash-handling systems [IMF 2025: 12–13]. KPMG's 2025 study further showed a widening disparity between service costs and customer experience quality: only four to five banks offer dedicated products for youth under 30 (over half the population), and artificial

intelligence (AI) maturity remains low due to legacy IT systems and weak data integration [KPMG 2025; O‘sarov 2026: 599]. Thus, the barrier lies in the methodological foundation—governance accountability, lifecycle product taxonomy, and unified data infrastructure.

The objective of this study is to substantiate directions for improving the institutional foundation and digital monitoring infrastructure of the methodology for enhancing retail banking competitiveness amid global transformations, and to develop readiness assessment indicators. To achieve this objective, regulatory documents, the IMF 2025 FSAP report, and KPMG 2025 digital banking studies were analyzed. The main findings are as follows. First, the institutional foundation is substantiated across four elements: an accountability chain (Supervisory Board Strategy Committee, Chief Retail and Digital Officer, Data Analytics Unit, and Internal Audit); a unified lifecycle product classification linking youth, mass-market, and affluent segments to unit profitability; alignment of borrower-based macroprudential limits with retail growth strategies; and analytics staff capacity [President 2020; IMF 2025: 11; KPMG 2025]. A "conditional sequence" is proposed: a bank scales automated microloans and ecosystem services only after these four elements are formed.

Second, for digital monitoring of retail competitiveness, the principle of "single client ID – single customer journey metric – single data source" is proposed: core banking ledgers, mobile application behavioral logs, and credit bureau feeds are consolidated under a single client code in a unified data platform. Internal regulations specify the calculation formula, statistical source, reporting periodicity, and responsible owner for each customer satisfaction factor (empathy, personalization, time savings, clarity, accountability, and ethics) [KPMG 2025]; unit-cost and retention values should be extracted automatically from transactional registries, while manually compiled survey metrics are flagged as "unverified."

Third, five quantitative indicators are proposed to measure retail competitiveness readiness: the retail cost-to-income ratio (targeting reduction below the 74.3 percent system average via end-to-end digital onboarding [IMF 2025: 13]); the share of retail loans underwritten through automated AI behavioral scoring [KPMG 2025]; the customer lifetime value to acquisition cost ratio (LTV/CAC); the share of the youth segment (under 30) engaged in lifecycle financial literacy and digital banking products [KPMG 2025]; and the Net Promoter Score (NPS) linked to automated complaint resolution [O‘sarov 2026: 600]. Migrating at least 50 percent of routine retail servicing and credit underwriting to AI-driven digital channels—as a condition for branch optimization—is an authorial proposal requiring practical testing. Since bank-level baseline values are not available in open sources, a baseline measurement is needed.

Fourth, a mechanism for linking competitiveness monitoring results to bank pricing and investment decisions is proposed: a "Retail Competitiveness Scorecard" is maintained by segment in the corporate portal, and prior-quarter cost-to-income and customer experience execution is mandatorily attached to tariff and IT budget requests. Approved retail disclosures are published within statutory timelines [President 2018]; the scorecard addresses the KPMG 2025 gap between rising service costs and customer experience quality [KPMG 2025].

CONCLUSION. In conclusion, in our view, enhancing the competitiveness of retail banking services amid global transformations requires shifting primary focus from isolated mobile interface updates to building an institutional client-centric foundation and a unified digital data chain. Although retail lending and digital channels have expanded, the IMF 2025 FSAP and KPMG 2025 reports note that high cost-to-income ratios (74.3 percent), fragmented youth products, and legacy IT data silos constrain competitiveness [IMF 2025: 13; KPMG 2025]. The study achieved its objective: a conditional sequence, a digital monitoring principle, and five readiness indicators were substantiated.

The results rely on secondary regulatory and industry analysis, while the proposed 50 percent AI-servicing threshold is an authorial proposal whose testing across several commercial banks is a task for future research. Implementing these indicators will turn retail banking transformation into a controllable and observable process.

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