

**STRATEGIES PROVIDING INNOVATIVE DEVELOPMENT
FOR COMMERCIAL BANKS****M. Arifhodjayeva***Senior researcher,
Tashkent State University of Economics,
Tashkent, Uzbekistan*

Abstract. The article defines the conditions for the development and implementation of innovations in banking. It is shown that the innovation of commercial banks can be achieved through the development and implementation of three strategies: innovation, marketing and customer-oriented. Suggesting the ways of selecting the innovative strategies the author points out: Selection of any innovative strategy usually means establishing of any individual business-holding mechanism, providing its implementation. Functioning features and establishment structure orientation of the mechanism depends on the features of the innovative processes, determined by the classification of innovations, dominating the processes of bank's innovative activity, and, of course, customer-oriented strategy is the most adequate long-term strategy interrelation with customers. Such strategy is directed to rebuilding the bank activity to satisfy the individual demands of customers.

Keywords: innovation strategy; marketing research; customer-oriented.

Spectrum and quality broadening of bank services rendering must be based on the innovation technologies. Bank services innovation is an innovation which provides a qualitative development of bank activity. Thanks to the innovations qualitatively new market-claimed bank products and services are created as a result of human intellectual activity. It should be taken into account that innovation in banking business includes not only technical and technological work-outs but also implementation of new business-forms and new working methods at markets, new facilities and services, new financial instruments as well.

Financial innovations are realized in the form of bank products, bank services and bank operations. It is necessary to distinguish a bank commodity from a bank product as well. In our opinion bank commodity is a part of bank services subjected to be realized to the bank customers. Bank products are related to the definite currency-crediting policy. They project in a non-material type and represent as currency and money means of intermediary and other bank services arising in the process of carrying on bank functions [2].

Nowadays it is difficult to surprise bank customers with standard collection of bank services, for which it is needed to create new, specific and individual bank products. Intro-

ducing the bank productions signifies the transition to a new development stage of financial services in general. Necessity of creating and introducing the innovative products and services in banking industry is conditioned by using information technologies in commercial banks.

Banking innovation technologies present the aggregate of new ways and methods of organizing the bank business which affects the bank development in all spheres of its activity, raising the efficiency of its activity (satisfying the customers' demands bank personnel and its shareholders).

Last years all commercial banks of Uzbekistan develop their infrastructure, supporting (backing) the innovative activities. However the present market situation is extremely dynamic and it demands from every bank a quick and accurate reaction to the changes. Sooner or later business reorganization will be inevitable, the bank leadership will face the change of current business processes in order to improve the effectiveness of the bank.

Financial innovations are the bank products (as mortgage credit with drifting rates and instruments of share index), new bank services (internet banking, SMS banking, online securities trade), new production processes are electronic recording of securities, credit scoring and others.

It is necessary to work out strategies for every commercial bank on implementation of new products and services so that the innovations would give revenue. In order to make up a sound strategic plan it is necessary to carry out a financial activity analysis estimating the influence of outer and inner factors to the regulations of the bank activity in future and the revelation of strong and weak points of the crediting company. Commercial bank strategies must be based on the selection of several key points. Banks must define their deposit and credit policy, and the fund attracting principles and to show the directions for fund crediting, performing profitable operations. Forming various strategies depends on the selection of main factors and bank types are determined. Second major element of strategy selection I assets and liabilities which hang over the described two policies and indicates to the stable correlation of assets and liabilities. Third orientation of strategy work out is an acceptable risk and limit conditions defining the crediting policy, safety and liquidity. Next is the communications security of the bank, including state and public relations which bring a non-interest income.

Modern conditions places on the top the innovations module of bank strategy i. e. the updated technological infrastructure, based on innovations: card technology, electronic money, internet banking.

Speaking about the bank strategy, one should clear the essence and meaning of the notion. Strategy serves for determining the

long-term development of commercial bank, working out the principles of bank activity and regulating organs, directed to achieving the long-term results. Strategy is the constitution of the bank. In any debatable case any bank officer must appeal to it as the last stage. Bank strategy must be clear and easily understandable to every bank officer concerning to his/her bank activity. If bank officers are on the point of the bank authority's requirements they are ready to answer any question concerning his bank strategy activity.

Selection of any innovative strategy usually means establishing of any individual business-holding mechanism, providing its implementation. Functioning features and establishment structure orientation of the mechanism depends on the features of the innovative processes, determined by the classification of innovations, dominating the processes of bank's innovative activity. Concretizing the goals and results of innovative activity, as well as systematizing its ways of various manifestations requires the complete classification of the innovations.

Marketing research is of major component of the system which provides the innovative development of the bank. Marketing research information promotes further adequate innovation strategy. Major result of marketing research is the information which permits defining the problems of making up an implementation program for dynamic bank development.

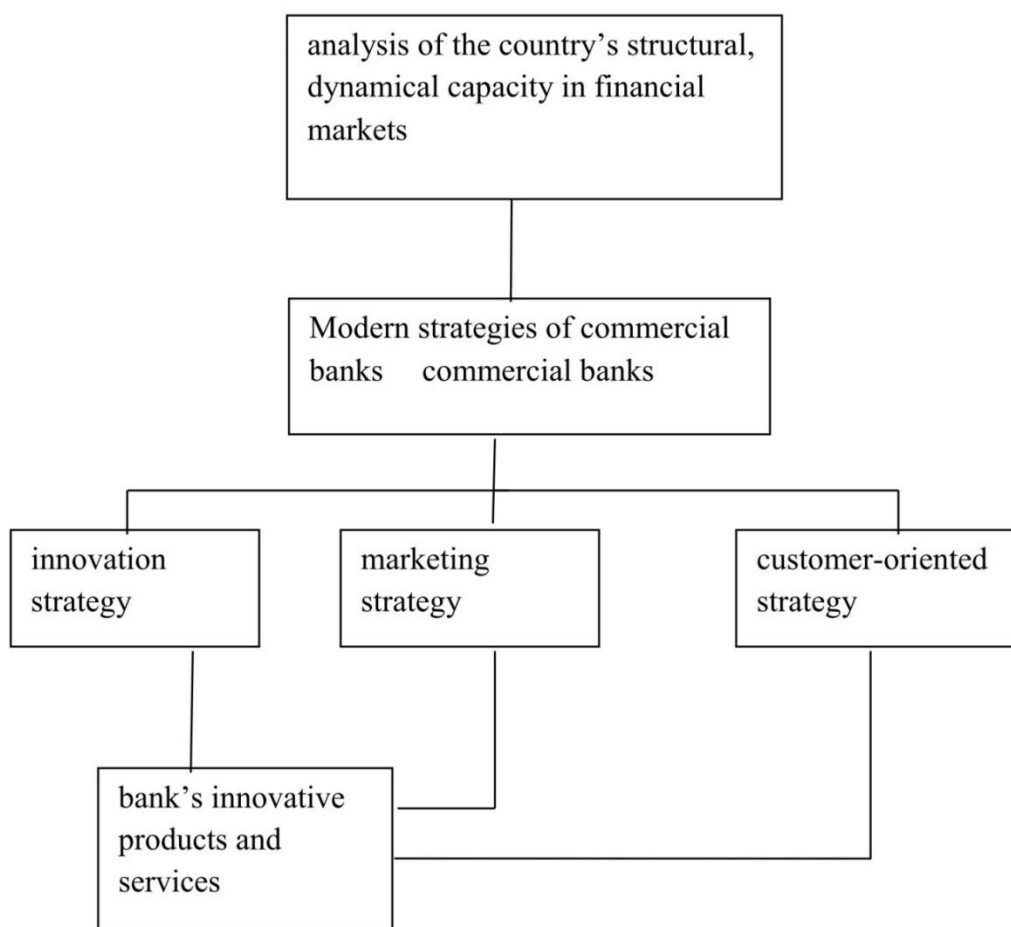


Chart 1. Modern strategies of commercial banks

The results of marketing structural research exert important influence to the innovation policy of any commercial bank, which are the demand forecasting bases for the new bank products as financial innovation components.

Bank strategy, as action program, is aimed at forming and keeping the long-term competitive advantage in target markets and reflects the quantitative goals of bank development and those internal changes which must happen for increasing its competitiveness.

It is necessary to distinguish the notion of general corporative market bank strategy from its components which project as functional strategy. Modern structure of commercial bank strategy is made up of three func-

tional strategies: innovative, marketing and customer-oriented strategies.

Strategy is the key to corporative management. It makes the bank transparent and clear not only for shareholders and board personnel but also for the bank customers. Bank's well-defined strategy is a guarantee for customers. They are sure of that the bank will follow it strictly and it will serve as a key factor in choosing the bank customers.

Each functional component of corporate strategy presents an action program in corresponding direction, targeting the achievement of quantitative indices, characterizing the bank's future state.

Innovation strategy must be realized as a general policy of the bank in creating and

implementing the innovations in all activities. Practically it is embodied in action plans, determining the direction, way and capacity which the bank must realize for increasing its competitiveness. On the strategy formation stage it is necessary to define the admission of economic-organizing innovations as work-out of new products and technologies, supplying of bank products and customer services.

Marketing strategy as key conditions of planning all activities of the bank in the market fixes the connection between the bank and market. In our opinion growing intensity of bank's income depends on the quality of bank strategy. Bank's marketing strategy is more correctly defined by the formulated and adopted ways of achieving the discrete goals at markets. These ways are based on using the admitted bank products and services, supposing various profitability of its components and their distribution system. Advancement methods of products and customer services should be taken into account.

Marketing strategy realized by commercial banks requires highly-qualified staff and enough resources for realizing the customer-oriented policy, expensive bank equipment, occupational relationship between market contractors. Modern marketing concepts are aimed at development of customer-oriented strategy working-out and implementing new kinds of services and the ways of supplying to bank customers.

Widening the scales of competitive market relations in the banking system of Uzbekistan demands from its commercial banks continuous research of ways for intensifying interaction with customers resulting the achievement of working out and implementing customer-oriented strategy. Working out of such strategy is conditioned not only by pursuing the competent internal policy, but also the necessity of adaptation to variable foreign policy.

Customer-oriented strategy is the most adequate long-term strategy interrelation with customers. Such strategy is directed to rebuilding the bank activity to satisfy the individual demands of customers.

In connection with that commercial banks need obtaining the generalized information about the quality and the structure of offered products and services as well as about the customers. For which it is necessary to work out customer's strategical card, containing the information about bank-customer interrelation, about his preferences and opportunities. Entire information about the customer simplifies the data-base management and permits individualized relation work with customers. Thus, customer-oriented strategy of commercial banks projects as the main constituent of banking business and is based on that the customer is the only source, which brings profit to the bank, providing its competitiveness.

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