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MECHANISMS FOR IMPLEMENTATION OF INNOVATIVE FINANCIAL SERVICES IN COMMERCIAL BANKS

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Abstract

Today, the rapid development of financial technologies and increased competition in the banking services market make the introduction of innovative financial services in commercial banks one of the strategic priorities. The demand of customers for fast, convenient, secure and tailored services is prompting banks to switch from a traditional service model to digital and innovative business models. In particular, mobile banking, internet banking, digital lending, electronic payments, biometric identification, artificial intelligence, big data and fintech solutions are significantly changing the content and delivery mechanisms of financial services.

The mechanism for the introduction of innovative financial services is not limited to the implementation of new technologies in banking activities. This process includes determining market demand for innovative products, studying customer needs, assessing technological opportunities, calculating financial efficiency, identifying risks and gradually introducing the service into practice. In the context of Uzbekistan, the Central Bank's Financial Technology Development Strategy for 2026–2030 provides for the use of the regulatory sandbox mechanism to strengthen digital financial infrastructure and test innovative products under controlled conditions.

Also, cooperation between commercial banks and fintech companies is an important mechanism for the rapid development and implementation of innovative services. In 2026 in Uzbekistan, discussions with the participation of commercial

banks and fintech startups considered the issues of testing solutions through pilot projects, such as digital factoring, unification of bank cards on a single platform, artificial intelligence services, transactional data analysis and personal budget management.

Cybersecurity, protection of customer data, fraud prevention and operational risk management are also of particular importance in the introduction of innovative financial services. Therefore, the process of managing innovation in banks should be based on the intercompatibility of technological, financial, organizational and risk management mechanisms. Integration with open banking, Open API and fintech platforms will expand the possibilities of offering more comprehensive and personalized services to customers in the future.

In this context, this study studies the theoretical and practical foundations of the introduction of innovative financial services in commercial banks, organizational and economic mechanisms and the possibilities of using modern technologies. Also, scientific and practical proposals for the formation of a consistent mechanism for selection, testing, implementation and evaluation of innovative services are developed.

Rapid digitalization of the modern economy and increased competition in financial markets impose new requirements on the activities of commercial banks. Today, the competitiveness of banks is determined not only by the size of their financial resources and capital, but also by the speed, convenience, security and innovative features of the services they provide to customers. Therefore, the development and implementation of innovative financial services in commercial banks is one of the most important directions of modernization of the banking system.

Innovative financial services are defined as services that are created on the basis of new technologies, modern business models and advanced management approaches or provide the provision of traditional banking services in a new form. These can include mobile and internet banking, digital payments, e-wallets, remote identification, online lending, biometric services, automated advisory services, artificial intelligence-based financial products and other digital solutions. The development of such services will simplify the implementation of financial transactions for customers, reduce operational costs for banks and expand the range of services.

The introduction of innovative financial services does not consist of simply introducing technological innovation into the bank's activities. This process requires a combination of organizational, technological, financial, legal and institutional mechanisms. First of all, before introducing an innovative service, the bank must identify the market need, study the requirements of customers and assess the cost-effectiveness of the new product. After that, the stages of selecting a technological platform, creating the appropriate infrastructure, training employees, assessing risks and testing the service are carried out.

Digital infrastructure is one of the important components of the mechanism for introducing innovative services. The interintegration of modern information systems, mobile platforms, databases and payment systems of the bank will ensure the effective operation of new services. In particular, the rapid processing of customer information, real-time transactions and the integration of various services into a single digital platform will increase the innovative potential of banks.

Collaboration with fintech companies is also becoming important in the development of innovative financial services. Commercial banks can collaborate with fintech companies, technology platforms, and other innovative organizations instead of developing all technological solutions on their own. Such cooperation will allow us to bring new products to market faster, optimize technological costs, and introduce modern practices into banking activities.

Risk management and cybersecurity are of particular importance in the process of introducing innovations. With the expansion of digital services, risks such as cyberattacks, fraud, misuse of personal data, technical disruption of systems, and operational risks arise. Therefore, it is imperative to ensure a balance between innovation and security when introducing new financial services. It is imperative that banks use modern authentication, transaction monitoring, data encryption, and fraud detection mechanisms.

Uzbekistan is also accelerating the process of digitalization of the banking system and the development of innovative financial services. The expansion of mobile applications, remote banking services, electronic payments and digital lending opportunities is increasing the convenience of using banking services. At the same time, the unequal popularity of innovative services in all regions, increasing the digital and financial literacy of the population, strengthening cybersecurity and developing cooperation between banks and fintech entities remain urgent tasks.

In this context, it is of great scientific and practical importance to study the mechanisms of introduction of innovative financial services in commercial banks, to determine their organizational and economic foundations, to assess technological and financial factors and to develop directions for effective implementation. This process serves to improve the quality of banking services, effectively meet customer needs, reduce operating costs and strengthen the competitiveness of commercial banks in the financial market.

The introduction of innovative financial services in commercial banks is one of the important factors determining the development of the modern banking system. The results of the study show that the intensification of competition in the financial services market and the increasing need of customers for digital technologies are motivating banks to move from a traditional service model to an innovative and digital business model. Therefore, the introduction of innovations should be

considered not only as a tool for technological development for commercial banks, but also as a mechanism for forming a long-term strategic competitive advantage.
The main advantage of innovative financial services is to provide customers with fast, convenient, remote and personalized service. Services such as mobile banking, internet banking, electronic payments, digital wallets, remote identification and online lending make it possible to carry out a large part of banking transactions remotely. As a result, customers' time and transaction costs will be reduced, and banks will be able to optimize operating costs associated with branches and expand the geography of services.
The effectiveness of the introduction of innovative services depends primarily on the availability of a clearly developed mechanism. This mechanism should include such stages as market research, identification of customer needs, development of an innovative product concept, assessment of cost-effectiveness, selection of a technological platform, testing, implementation and monitoring of results. At the same time, it is necessary to assess the compatibility of each new service with the bank's strategy, its profitability, usefulness for customers and the possibility of integration into the existing infrastructure.
Collaboration with fintech companies is a particularly promising area in the development of innovative services. Cooperation between banks and technology companies will allow to create new financial products faster, master modern technologies and shorten the time to market for innovative solutions. At the same time, the use of open APIs, digital platforms, and integrated services will increase the technological flexibility of banks.
Also, customer orientation should be the main principle when introducing innovative services. A bank should introduce new technology not just because it is modern, but because it solves the customer's problem and improves the process of using the service. Therefore, when developing innovative products, it is important

to study customer opinion, segment their needs, and analyze the experience of using services.

Along with innovation, cybersecurity and risk management issues are also relevant. The expansion of digital services can further weaken banks' technological infrastructure to cyberattacks. Therefore, data protection, strong authentication, transaction monitoring, fraud detection, and the development of backup systems are necessary when introducing innovative services. Security requirements should be taken into account from the initial design stage, not at the last stage of the innovative product development process.

The development of innovative financial services is also changing the requirements for bank employees. Along with financial knowledge, a modern banking specialist must have skills in digital technologies, data analysis, cybersecurity and customer service. Therefore, the retraining of employees in banks and the development of a system of regular training should be an integral part of the innovation strategy.

In order to increase the innovative potential of commercial banks in Uzbekistan, it is important to modernize digital infrastructure, strengthen cooperation between banks and fintech companies, increase digital and financial literacy of the population, and expand the territorial coverage of innovative services. The development of simplified digital financial products is a promising direction, especially for small businesses, self-employed individuals and segments of the population who do not have sufficient use of financial services.

In general, the introduction of innovative financial services in commercial banks requires a combination of technology, human capital, financial resources, customer needs, risk management and effective regulatory mechanisms. In the future, the competitiveness of banks will largely depend on how quickly and efficiently they introduce innovations, create real value for customers, and ensure the security of digital services. Therefore, the development of innovative financial services will not only increase the stability and profitability of banks, but also serve the adaptation of the country's financial market to the requirements of the modern and digital economy.