

INNOVATIONS IN RETAIL BANKING

Innovation in banking is the implementation of new ideas and technologies aimed at improving the efficiency and effectiveness of banking services. This can include a wide range of activities, such as developing new financial products and services, using new technologies such as artificial intelligence and block chain, and implementing new business models and operational processes. This study shows some of the key aspects of innovations in retail banking.

To begin with, it's worth mentioning goals that can form part of a strategy for implementing banking innovations.

1. Improving efficiency. Innovations in banking can help optimize processes, reduce costs, and increase the speed of transaction processing.

2. Attracting key talent. Banks are adopting a more agile approach to attract key talent, but they often lack the financial resources to hire and retain in-demand software engineers and data scientists. Banks should consider creating positions to explore partnerships and vet third-party services.

3. Developing artificial intelligence (AI). AI can help automate business processes, analyze big data, and improve cybersecurity. This technology is also used to create virtual assistants. Embedded finance allows banks to share their core technologies with fintech companies through solutions such as ApplePay or Google Pay.

4. Experimenting with digital innovations. There are many potential ideas for digital banking innovations, including [1]:

- mobile banking apps that allow customers to manage their accounts, make payments, and transfer money on the go;
- integration with popular payment platforms such as Apple Pay, Google Pay, and PayPal;
- using machine learning to improve customer service, such as chatbots that can answer common questions and provide personalized recommendations;
- implementing biometric authentication methods such as facial recognition or fingerprint scanning to improve security and make it easier for customers to access their accounts;
- offering investment and wealth management services such as robo-advisors to help customers grow their wealth;
- integration with wearables such as smartwatches so customers can make payments and check account balances directly from their wrist.

Global trends in banking innovation include today the following [2]: development of the payment and settlement space; remote identification; open API development; distributed ledger technologies; big data, artificial intelligence and machine equipment; cybersecurity.

Another rapidly growing area in the banking business is contactless payments. This area is growing with innovative solutions both in terms of the technology of the payment procedure itself and in terms of the security of such transactions and counteracting cyber fraud.

Note that all services that have appeared in Belarus since 2022 to the present day (Belkart Pay, Mir Pay, Swoo pay, Huawei Pay) work only with Android and/or Huawei. For iPhone owners, Apple Pay remains exclusively available.

Payment using contactless payment applications is available in all terminals with NFC support. An Internet connection is not required for the services to work.

The collected information about which application is compatible with which banks is given in the table below.

Table 1 - *Applications and services for contactless payment and banks that support them*

Application	Which banks are friends with
Apple Pay	Alfa-Bank, Belagroprombank, Belarusbank, Belgazprombank, BNB-Bank, BSB Bank, MTBank, Priorbank
Samsung Pay	Alfa-Bank, Belagroprombank, Belarusbank, Belgazprombank, BNB-Bank, BSB Bank, MTBank, Paritetbank, Priorbank, Bank Solution
Белкарт Pay	Alfa-Bank, Belagroprombank, Belarusbank, Bank BelVEB, Belgazprombank, Belinvestbank, BSB Bank, Bank Dabrabyt, Paritetbank, Priorbank, Bank Reshenie, RRB-Bank, Sberbank, Technobank, Zepter Bank
Swoo pay	Alfa-Bank, Belagroprombank, Belarusbank, Belgazprombank, BNB-Bank, BSB Bank, MTBank, Paritetbank, Priorbank, Bank Reshenie, Statusbank
Xiaomi Pay	Alfa-Bank, Belagroprombank, Belarusbank, BNB-Bank, BSB Bank, MTBank and Priorbank
Garmin Pay	Alfa-Bank, Belagroprombank, Belarusbank, Belgazprombank, BSB Bank, MTBank, Priorbank
Huawei Pay	Belarusbank
Mir Pay	VTB Bank (Belarus)

Note: source – own development

To sum up, it is worth saying that the adoption of banking innovations is a key factor in the development of the financial sector as a whole. With the proper implementation of innovations in their activities, banks will be able not only to improve the customer experience, but also to earn money, increasing their status in the market and in the eyes of their clients.

REFERENCES:

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2. Ivlev A. Business readiness for the digital economy // EY Belarus. 2021. No. 6. P. 364-371