CONTENTS
ECONOMIC SCIENCES

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RETAIL IN THE BANKING SECTOR OF UKRAINE

Abstract.

The article explores the concept of «retail». Peculiarities of retail development in the banking sector of Ukraine are analyzed. It is established that banking technologies are another of the most important factors of successful development in modern conditions of banking retail. Banks create a customer-oriented model of doing business, offering specific types of services to specific groups of customers, trying to implement the principle of individual customer service. An urgent issue today is to determine the main trends in the development of retail banking. Research on the nature of retail in the banking sector and identified its role in expanding the service sector by introducing the latest innovative services in commercial banks to maximize income and maintain their liquidity. The development of above-indicated promising areas will allow banking institutions to continue to cover almost all areas of the financial services market.

Keywords: retail, banking retail, banking products and services, innovative technologies

Introduction. The concept of "retail" is associated with the processes and mechanisms of sale of goods and services to end users, so it is often identified with the technology of retail. The formation of the product line of banking retail is based on traditional and non-traditional banking services, in particular retail. Retail banking is one of the most important areas in the functioning of the dominant number of credit institutions, which can act as a significant source of resources, as well as a promising option for banks to place funds in order to obtain a high financial result. Currently, retail business is one of the main factors in the growth of the banking sector and a key segment of most banks. Most banking institutions still pay considerable attention to the retail business segment (retail). All commercial banks are represented in the retail market, seeking to take a leading position, increasing the share of retail in the overall business. However, during the crisis, many banks have revised their retail strategies.

Related literature review and hypotheses. The general patterns and mechanisms of retail development have been studied mainly by American and Western European scientists D. Kahneman, W. Smith, D. Arieli, and A. Tversky, who based their research on behavioral theories of consumer choice and decision-making. Well-known American researchers in the field of marketing and advertising F. Kotler and G. Armstrong have made a significant contribution to the formation of demand and consumption in the context of growing information impact on consumers and increasing purchasing power. Problems of development of the market of retail products of "retail" of banking institutions in the works investigated: S.L. Bru, T.D. Bilous, T.A. Vasilieva, V.F. Golub, G.G. Golub, A.M. Demchenko , J.M. Krivich, K.R. Connell, R. Markin, O.O. Lapko, I.O. Lemish, O.P. Sidelnyk, S.G. Fedosenko, S.M. Flynn, D.O. Harinovich. However, these researchers studied some aspects of the functioning of the banking market, which did not give a complete picture of the functioning of the domestic banking market, in particular its innovative component.

Data and methodology.

The theoretical and methodological basis of the study were the provisions of economic theory, legislation and regulations. To solve the tasks used general scientific methods: historical and analytical (in studying the essence of retail, banking retail), graphic (to reflect the dynamics of the main indicators of banks in retail), analysis and synthesis (in forming the theoretical foundations of innovative mechanisms of banking retail, evaluation the current state of the market of banking services and banking retail in Ukraine), abstraction and logical interpretation (in clarifying the basic categories of research), system-structural (in justifying the innovative mechanism of retail in the banking sector); chronological (to consider the processes of formation and development of retail in the banking sector dynamics, changes and time sequence. The information base of the study was legislation and regulations governing the activities of banks, official data of the National Bank of Ukraine (NBU), statistics, analytical reviews of the State Statistics Service of Ukraine, the World Bank, materials of the Independent Association of Banks of Ukraine (NABU), information and analytical publications, reporting of banking institutions, scientific works of domestic and foreign scientists, periodicals, Internet resources and calculations of the author.

Results and Discussions.

Improving the efficiency of banks, and hence - increasing their competitiveness in domestic and foreign markets directly depends, on the one hand, on the popularity and demand for banking products and services, and on the other - on the level of customer satisfaction and needs of products and services. In Ukraine today, there is a large-scale application by banks of strategies to aggressively capture the market and win customers with the simultaneous introduction of innovative sales technologies and after-sales service. In such circumstances, there is a need to focus on identifying trends in the development of banking retail.

The tasks of banking retail are to analyze the place for opening a branch of a banking institution in a certain

format; assessment of the location of the ATM or terminal for better payback. The range of banking services is constantly changing and its composition is determined by the needs of different groups of customers, their priorities and capabilities. The search for new customer needs and the development of fundamentally new opportunities for banks is constantly underway. The introduction of innovative banking products necessitates the explanation of their content to customers, improving the financial culture of consumers and their legal literacy, strengthening the importance of such a factor as customer trust. Innovative technologies of conducting and managing the banking business allow, firstly, to offer better customer service to individuals; second, reduce the risk associated with the provision of retail banking services; thirdly, to increase the efficiency of the bank's work with each client and the profitability of the retail business in general [10, 11].

Retail banking services, or services provided by banks to individuals, individuals, both directly related to banking activities and related to other financial services. Such traditional banking services as opening current accounts and their settlement and cash servicing, money transfers, cash payments, credit services, deposit services, purchase and sale of currency are not enough to meet customer needs today. Banks now offer individuals additional areas that increase the possibilities of non-cash payments and savings. These are, first of all, operations with payment cards, which improve the state of money circulation in the country, promote the development of modern payment technologies. It should be noted that the development of information technology, the need for rapid decision-making prompted the development of banks' remote forms of banking services, including Internet banking (WEB-banking). A variety of mobile applications provide convenient and secure access to your account around the clock without visiting a bank. In addition, banks for the population carry out operations with securities, offering the services of a depository institution, purchase and sale of securities as brokers (dealers), conduct securities management activities.

Innovative approaches in banking are mostly based on modern information and mobile technologies, new tools in social networks. Yes, Internet banking has been the most significant innovation in the last fifteen years, but its slow practical implementation has become apparent over such a long period of time. For the five largest economies in Europe, the average rate of Internet banking was 28%, including the United Kingdom - 40%, Spain - 20%, Norway - 75%. The efforts of financial institutions are focused on the use of the Internet not only as an information and communication channel, but also as a commercial one, for which banks are improving the interface and security when using the full range of Web 2.0 capabilities.

Innovative banking retail as an object of risk research has a number of features. The main one is due to the significant complexity of the process of implementing a banking product and the assessment of this process. Therefore, when analyzing the risk of innovative banking retail, it is necessary to move from building complex models of risk assessment to a detailed description of risk factors and developing measures to reduce each of them.

The key to the effective operation of banking institutions is the development and implementation of innovative technologies that are focused on creating maximum consumer value for customers, which allows you to maintain specific benefits in the long run.

Online retail is a system of economic relations that unfolds in the web-space and focused on the end user. According to the system of national accounts, e-commerce includes transactions that reflect the movement of the intermediate product (B2B, C2B) final consumption (B2G, B2C) and redistributive transactions (resale of goods between households) in online auctions, social networking sites (C2C). B2C and C2C transaction models are used in online retail, which includes mobile commerce (m-commerce). It is part of e-commerce (e-commerce) and complements the physical upresentation (availability and delivery) of goods with digital trading service, purely online format or complementary online and offline formats of the retailer and physical-digital transaction through payment through the bank - physically, through electronic money systems - digitally). In general, the essence and difference between e-commerce and traditional is that the product that is the object of the transaction is not only physical goods, information, but also electronic communication in remote access, which ensures the flow of the transaction and allows without moving, to overcome geographical distances, to carry out operations from any point of the world where conditions for this purpose are created.

In the world banking practice there are three options for organizing banking retail:
- organizational separation of retail business in the structure of the universal bank as a separate independent direction of banking;
- creation of a separate (specialized) bank, the main and only area of activity of which is retail business;
- full organizational separation of retail and creation of a subsidiary retail bank as part of a banking (financial) group [7].

Declining profitability of traditional areas of activity, increasing competition, as well as the need to diversify their business to restore its stability have pushed the bank to develop a range of services for private clients - to banking retail. Commercial banks consider individuals as one of the significant suppliers of funds, and if the external environment of individuals allows us to talk about the growth of household incomes, then the importance of this source of emergence and subsidence of liabilities increases. However, individual customers are also potentially active consumers of resources, for example, in the process of obtaining a variety of banking products from commercial banks.

Among all areas of the banking business, retail is one of the most profitable today, as a range of retail banking services is considered by financial institutions as a source of liabilities, commissions and interest income. In addition, with effective strategic management, banking retail is a source of relatively cheap liquidity and high profitability [3].

Among such retail products we can distinguish: lending for current needs; placement of funds on deposit accounts; payment card service; private banking; organization of pension services; lending organization; asset management; financial and property consultations; currency exchange transactions; making money transfers in national and foreign currencies; making cash payments; opening and maintaining current accounts of individuals, including card); credit card account maintenance; consumer lending for various types of collateral and unsecured) loans; rental of individual bank boxes; financial consulting and information; sale and acceptance of bank metals on deposits; mortgage lending in the primary and secondary residential real estate markets; trust management of property; telephone and home banking; remote counseling centers such as "hot line"); consulting services personal manager); issuance of registered and traveler's checks; payment for goods and services of legal entities; investment services stocks, bonds); acceptance of utility payments.

The formation of the product line of banking retail is determined by the results of in-depth and comprehensive study of the needs of the population in financial services and includes, first of all, the creation of complex products that best meet these needs. The parameters and essence of these products change depending on changes in market conditions and customer needs. The rating of the largest Ukrainian banks took into account the bank's ability to repay deposits without delay if it has financial problems or problems with loan repayment and growing customer debt, as well as the level of

support for shareholders and the state. An important role is played by the owner factor in terms of replenishment of capital and liquid resources, which is the basis of resilience in stressful conditions. No state-owned or international financial holding companies have been declared insolvent.

There were 75 banks in Ukraine, which in 2020 reduced the number of structural units by 10.8%, or by 868 branches - up to 7,134 thousand. Thus, in 2020, Oschadbank closed 490 branches (reducing their number to 1,837 thousand), PrivatBank - 211 (up to 1,717 thousand), Raiffeisen Bank Aval - 100 (up to 396), Alfa Bank - 39 (up to 218), TAScombank and Oschadbank - 16 each (up to 87 and 90 respectively), Ukrsibbank - 12 (up to 272) , Credit Dnipro Bank and full name - eight each (up to 28 and 26 respectively) and Ukrbudinvestbank - seven (up to 48). In the 4th quarter of 2020, banks closed 195 structural divisions, including Oschadbank - 94, Raiffeisen Bank Aval - 60, PrivatBank - 33. At the same time, in 2020, banks opened 79 branches, including the state Ukrgasbank - 26 divisions, expanding its regional network of up to 276 branches, Akordbank - eight (up to 79), Bank "Sich" - six (up to 60), FUIB - 16 (up to 224), A-Bank - seven (up to 232), Bank "Alliance" - n (up to 25). As of January 1, 2021, Oschadbank remains the leader in the number of branches (1,837 thousand), in second place PrivatBank (1,717 thousand), third - Raiffeisen Bank Aval (396), fourth - Ukrgasbank (276) and fifth - Ukrsibbank (272) [5].

Table 1

Dynamics of the deposit portfolio of banking institutions in Ukraine in 2017-2019

Indicator	2017	2018	2019	Deviation 2019/2017
Dynamics of the deposit portfolio by subjects				
Funds of individuals, UAH million	478 100	508 869	552 592	+74 792
Funds of legal entities, UAH million	403 927	406 166	498 156	+94 229
Dynamics of the deposit portfolio by deposit currency				
In the national currency, UAH million	481 624	529 635	626 744	+145 120
In foreign currency, UAH million	400 431	385 400	424 005	+23 574
Dynamics of the deposit portfolio by maturity				
Current deposits, UAH million	448 430	477 061	610 864	+162 434
Time deposits, UAH million	433 625	437 974	439 854	+6 229

Note. Compiled according to NBU statistics [5].

Despite the decrease in the number of banks, there is an increase in banks' deposits, which indicates a gradual restoration of confidence in the banking system and the lack of alternatives for the population. Banking retail should actively develop in the areas of maintaining deposits at the current level, increasing the resource base by attracting household deposits, increasing unsecured and short-term loans, increasing commission income by increasing the number of transfers, utility pay-

ments, payment card services, as well as due to the development of alternative sales channels (table 1).

Thus, starting from 2015, the deposit portfolio of Ukrainian banks increased by 55% (by UAH 373,005 million) and as of January 1, 2020 amounted to UAH 1,050,748 million [5]. In the general structure of the deposit portfolio, the share of individuals' funds remains predominant, despite its reduction by 9 percentage points. for 2015-2020 from 61% in 2015 to 53% as of January 1, 2020.

Table 2.

**Structure and dynamics of deposits in national and foreign currencies
in 2017-2019**

Indicator	2017		2018		2019		Deviation 2019/2017
	billion UAH	%	billion UAH	%	billion UAH	%	
Funds of individuals	478,1	100	508,9	100	552,6	100	+74,5
In national currency	234,6	49,1	268	52,7	314,8	57	+80,2
In foreign currency	243,5	50,9	240,9	47,3	237,8	43	-5,7
Funds of legal entities	404	100	406,2	100	498,1	100	+94,1
In national currency	247,1	61,2	261,7	64,4	311,9	62,6	+64,8
In foreign currency	156,9	38,8	144,5	35,6	186,2	37,4	+29,3

Note. Compiled according to NBU statistics [5].

Nevertheless, in absolute terms, deposits received by banks from individuals increased by 32% from the analyzed period and amounted to January 1, 2020 – 552592 million UAH, which is 136221 million UAH. more compared to 2015. It should be noted that there were no sharp fluctuations in deposits from economic entities, their volume has been growing steadily compared to previous periods, in particular, from economic entities increased by 90.6% (236784 million. UAH). In general, the share of funds of business entities in the overall structure of the deposit portfolio increased from 39% in 2015 to 47% as of January 1, 2020.

According to the NBU, the volume of the hryvnia deposit portfolio of Ukrainians, by the end of the year, exceeded the pre-crisis level, which the banking system had 5-7 years ago. The inflow of funds into national currency deposits was facilitated by wage growth rates, more attractive interest rates on hryvnia deposits than on foreign currency deposits, as well as moderate volatility of the hryvnia exchange rate during the year.

In 2018-2020, the inflow of hryvnia funds into the banking system remained high. State-owned banks continued to increase their foreign currency deposits, although the share of foreign currency deposits in the system as a whole is declining. Deposits of legal entities in banks, after the seasonal outflow at the beginning of the year, amounted to UAH 516 billion, Deposits of individuals amounted to UAH 610.5 billion. In the third quarter, the decline in the value of deposits and loans slowed down. The value of 12-month hryvnia deposits of individuals for the quarter decreased by 0.9 percent. n. - up to 8.7% per annum, in US dollars - fluctuated about 1.3% per annum. The spread between 3-month and 12-month hryvnia deposits increased slightly from 0.2 to 0.5. However, this did not create incentives to extend the urgency of deposits. In the second quarter of 2020, the growth of household and business deposits in banks continued. In particular, hryvnia funds of business on bank accounts grew by 9% for the quarter (+

24.6%). Hryvnia deposits of the population grew by 10.9% (+ 24.1%) in the second quarter, mainly due to demand deposits. This increase contrasts positively with the crises of previous years, when depositors actively withdrew funds from banks.

Due to the reduction of the discount rate and the stability of the deposit base, rates on hryvnia deposits of the population continue to decrease (9.6% per annum at the end of June and less than 9% at the end of July), which contributes to lower value of loans in national currency. The cost of foreign currency deposits and loans continues to be low. Due to the strengthening of the hryvnia, the level of dollarization of deposits in the second quarter decreased by 3.8 (to 40.7%). The growth of corporate sector deposits increased by 22.8% (or UAH 93.2 billion) to UAH 501.5 billion. Corporate deposits grew both in the national currency (by 18.6% or UAH 50.5 billion) and in the foreign currency (by 31.3% or UAH 42.7 billion).

The functioning of retail in the bank, the development of innovative products and services directly depend on the volume of use of payment cards, and they, accordingly, depend on the technological capabilities and availability of the network of their use. It should be noted that in any case (both in terms of liabilities and assets) the growth of retail operations in banks provides the banking sector with commission income from services. Quite often such income is not directly related to the movement of funds in installments or their placement in the form of loans: currency exchange, money transfers, payment card transactions, payment through the bank of services of various companies. A specific feature of the retail business is also that all conditions for the provision of products in this area, including their cost, are openly published on the websites of banks, information-analytical and reference portals (in terms of interest rates on deposits and loans). Lending to individuals is the most profitable activity for a modern credit institution (table 3).

Table 3

**Structure and dynamics of the credits portfolio of banking institutions of Ukraine
in 2017-2019**

Indicator	2017		2018		2019		Deviation 2019/2017
	million UAH	%	million UAH	%	million UAH	%	
Credits	1 007 132	100	1 144 904	100	1 061 873	100	+54 741
Credits to public authorities	1 011	0,17	2 508	0,22	4 068	0,38	+3 057
Credits to businesses	848 818	84,2	939 037	82,01	845 637	79,6	-3 181
Credits to individuals	157 287	15,61	203 321	17,7	212 133	19,9	+54 846
Credits to non-banking financial institutions	15	0,014	38	0,0033	35	0,003	+20

Note. Compiled according to NBU statistics [5].

As can be seen from Table 3, since 2017 there has been a positive trend in the total portfolio of loans issued to individuals by Ukrainian banks, and as of 01.01.2020 the total amount amounted to UAH 212,133 million. In 2019, banks were most active in developing consumer lending. Due to this, the portfolio of hryvnia loans to households is growing.

The decrease in corporate loans took place both in the national currency (by 7.4% or UAH 35.1 billion) and in the foreign currency (by 19.3% or UAH 76.9 billion). Although in December 2019 the weighted average interest rate on loans in national currency granted to the corporate sector was 15% (in December 2018 - 20.9%). According to the NBU, average interest rates on loans to economic entities in hryvnias for the third quarter decreased by 1.0 (to 9.6% per annum), and on loans to individuals - by 1.9 (to 30.9% per annum). The cost of foreign currency loans to businesses was about 5% per annum. The volume of default loans in the loan portfolio of legal entities amounted to UAH 215 billion (95%) in PrivatBank, UAH 86 billion in Sberbank (65%), UAH 70 billion (53%) in Ukreximbank, and only UAH 6 billion (14%) in Ukrgasbank. The total amount of NPLs in the banking system amounted to UAH 581 billion (share in the portfolio - 51%). Of this amount, state-owned banks accounted for UAH 415 billion (71% of the total NPL). The increase in loans to individuals increased by 4.7% (or UAH 9.3 billion) to UAH 205.3 billion. At the same time, loans in the national currency increased by 24.1%, or UAH 32.6 billion, and in foreign currency - decreased by 38.4%, or UAH 23.3 billion. The weighted average interest rate on loans in national currency to households increased to 35.8% (in December 2018 - 33.1%).

The real trend of lending is characterized by short-term loans obtained for the purpose of operational provision of the banking system with resources, compliance with economic standards, maintaining liquidity, solvency and stability of banks. Such a money market instrument is the most real opportunity to maintain the liquidity of bank balance sheets, replenish correspondent accounts and to conduct active operations in other more profitable segments of the financial market. In five years, the amount of interbank loans decreased by almost a third. Lending in other countries involves significant credit risk, but it is measured on a slightly different scale. In world practice, the future of the bank, the share of overdue (over 90 days) loans which is close to 7% of the total, is quite problematic. For reliable banks, this figure is about 3%. For the domestic banking system, the values of similar indicators vary in a wide range: from 2 to 30% [2].

The concept of "retail banking" is quite ambiguous in the understanding of many economists. Specialized dictionaries define retail banking as the provision of banking services to individual clients - a wide range of individuals, namely households and private entrepreneurs, in addition to the very affluent. In general, there are no clear signs of the allocation of traditional or non-traditional services of commercial banks today, because a large number of non-traditional services for individual commercial banks are common, ie they do not refer to the newest [6].

Since the basis of retail banking is the provision of retail banking products and services, we consider it appropriate to consider banking services through the prism of the economic concepts of "retail banking", "retail banking" and "retail banking". Retail banking business is an independent direction of banking activity connected with rendering of standard services to the consumer (fig. 1). Improving the business processes of retail customer service is one of the most important tasks of the banking sector. This is due to the following factors. On the one hand, retail customer service in the banking sector reflects the degree of economic development of the country, and on the other hand, retail customer service in the banking business contributes to economic development, giving the population financial resources in the form of loans and accepting deposits. Unfortunately, the financial crisis has halted the progressive development of the banking market and its retail segment.

CHARACTERISTICS OF RETAIL BANKING BUSINESS
Retail operations based on standardized products
Development and implementation of standard conditions for providing banking services to customers is a necessary condition for the development
The set of products of the retail banking business must meet the consumer needs of different customer groups
In the case of retail, the technology of promotion of services is simplified, which accordingly reduces the bank's costs

Fig. 1. Characteristics of retail banking

Note: developed by the author on the basis of [8]

We can highlight the main features of the retail banking market:

- the activity of banks in providing services is in the sphere of special attention of the state and society, as the banking sector from the social point of view is an area of increased risk, because the loss of the bank's ability to properly circulate money entails loss of savings, including secured part of it;

- in the legislation, the activities of banks related to the attraction and use of funds of individuals are considered as the provision of services;

- retail banking services are offered to the population to meet personal, family needs, not related to business activities, such services of banks, which are based on standard banking products.

Internet banking already provides basic products and services at the appropriate level and, as a segment of the retail banking market, is actively developing, while providing the necessary level of security, expanding functionality, including through the offer of insurance and investment services, which brings it closer to the concept of marketplace and building a service ecosystem, improving the interface with the extension of the chat function and the desktop model of figure 2.

This positive trend is associated with a steady increase in demand for non-cash transactions among Ukrainians and the promotion of innovative financial services. The volumes of non-cash transactions with payment cards were distributed as follows: -35.8% (or UAH 465 billion) were card-to-card transfers (P2P transfers), the average check of which was UAH 1,723; -32.6% (or UAH 423 billion) - transactions on the Internet, the average check - UAH 361; -29.3% (or UAH 381 billion) - settlements in the trade network, the average check - UAH 242; -2.2% (or UAH 29 billion) - transactions using self-service devices (PTKS, ATM), the average check of such transactions was UAH 488. Constant expansion of the range of services, reduction of their cost, improvement of quality of credit - settlement and cash service, rendering of various consultations, preferential service of regular depositors will promote increase in volume of resources of bank.
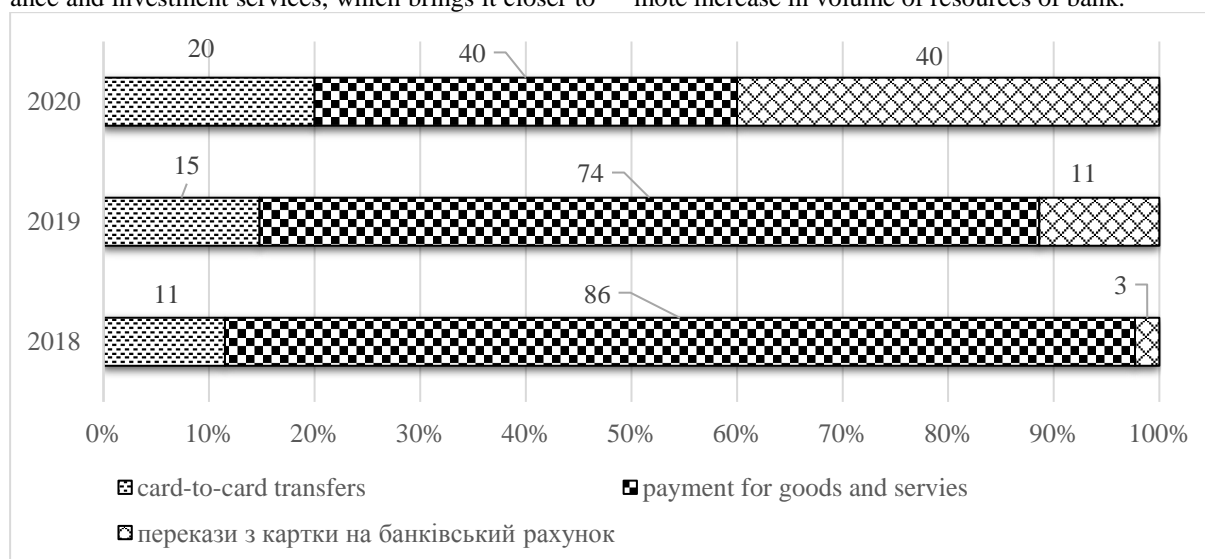
Fig. 2. Share of non-cash transactions by Internet banking in Ukraine, %

Note: developed by the author on the basis of [4]

The competitive position of Ukrainian banks in the segment of Internet banking is influenced by the time of its entry, for example, to followers of PrivatBank, who were forced to catch up with lost competitive opportunities include FUIB, Oschad24 [5]. Thus, the positive dynamics was determined in the volume of non-cash transactions by means of Internet banking. In particular, the volume of card-to-card transfers increased from UAH 220.1 billion in 2018 to UAH 762.6 billion in 2020. In 2020, the activity of card-to-bank transfers reached UAH 152.4 billion.

PrivatBank has developed the most attractive, convenient and multifunctional Internet banking for its clients. This is confirmed by the rating of the Internet banking system according to FinAwards, where Privat24 took first place. The use of innovative technologies in the banking business and in banking retail in particular allows better customer service, reduces the risk of retail services and increases the bank's profitability in providing services to each customer, including the profitability of retail business in general. Thus, in today's conditions, the effective operation and competitiveness of any commercial bank is largely ensured by the introduction of new, socially oriented services by expanding the scope of retail with the use of innovative technologies. Each commercial bank forms its own retail system, taking into account its own strategy and experience in the banking market, taking into account opportunities and forecasts for the future. The direct formation of the product line of bank retail is based on the results of a comprehensive study of the needs of private consumers in financial services and should include comprehensive products that will fully meet such needs.

One of the main trends in retail today is collaboration with other areas of activity. One of the most significant events in this direction is the issuance of ATB-Pay's own payment card by ATB Corporation together with Raiffeisen Bank Aval. This is a good example of how retail enters an unfamiliar field, especially given the recent high-profile developments - the struggle of retail to reduce acquiring rates. Today in Ukraine there is one of the highest rates among European countries. Ukrainian retailers pay from 1.8% to 3% of the fee for each non-cash payment of the buyer, which is distributed between the bank that issued the card (interchanging commission, which is 1.4-1.6%) and the bank-owner of the terminal. The retail business has begun to look for its own ways to address this issue - and this is the first "bell" for the financial sector. The potential for issuing such cards only for ATB customers is estimated at 20 million units.

The main problems of the retail banking market in 2020: the problem of basic banking, the problem of falling average profitability in the deposit market, the problem of car loan market development, the problem of reducing profitability in the mortgage market, the problem of reducing customer demand in consumer lending, quarantine under the condition of coronavirus COVID-19. Decisions to improve the business processes of retail customer service of the bank should be focused on the active development and implementation of innovative products, as well as the adoption of positive results of international experience. These proposals will take into account the areas of cooperation of the bank in the field of communication with customers, design services, as well as additional services that will help the bank to win customer loyalty and increase sales. To solve these problems, the bank needs to create a comprehensive mechanism of action.

The effective functioning of the retail lending system significantly determines the degree of development of the banking sector and the satisfaction of consumer needs. At the present stage, the problematic aspects in this area are: high risk of operations, a significant amount of overdue debt, low quality of banks' loan portfolio and lack of capital, which leads to the application of effective response measures. The credit risk of retail banking products should be considered as the probability of losses due to external and internal factors arising from the adoption of appropriate management decisions related to lending to individuals and small businesses. In the hierarchical structure of credit risk of retail banking products can be divided into 4 levels:

1) the level of the borrower, where the risks are directly determined by the behavior of the borrower who violates the terms of the loan agreement;

2) individual level, where the risks are associated with illegal or incompetent decisions of employees of the credit department;

3) micro-level, where the risks are associated with the decisions of the credit committee of the bank;

4) macro level, where risks are determined by external macroeconomic factors in relation to the bank. At the same time, the level of the borrower and the macro level are external risk factors in relation to the bank, and the micro and individual levels are internal risk factors.

Building long-term relationships with customers is a strategic goal not only of the banking business. Attempts are being made in almost all areas of the economy to create a customer base with long-term relationships. One of the main reasons that push businesses to intensive research in this direction is the intensification of competition within and outside the industry. Developed programs and customer loyalty strategies are very diverse and high cost, but clear criteria for the success of their implementation has not yet been developed. The generally accepted stages in the implementation of the retail strategy are: creation of a repository of information about customers; customer base segmentation; scoring and probability; recalculation of proposals in real time fig. 3.
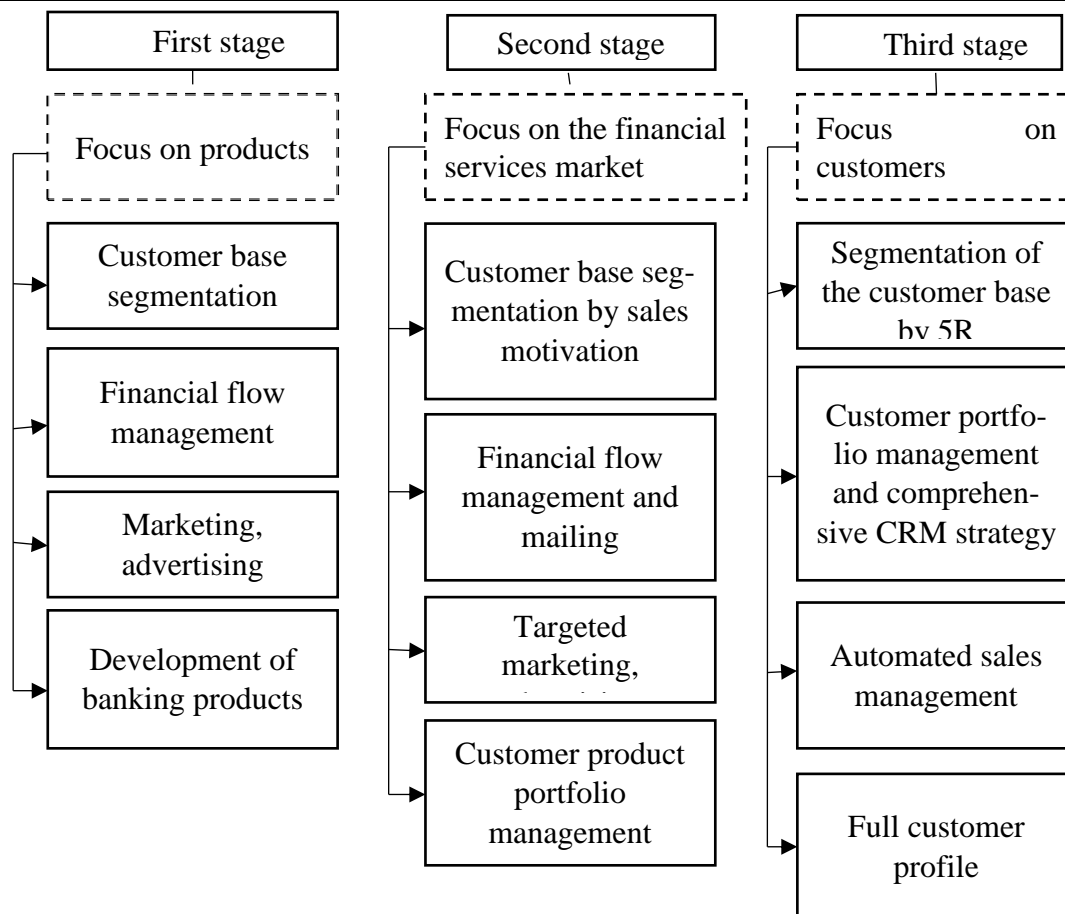
First stage	Second stage	Third stage
Focus on products	Focus on the financial services market	Focus on customers
Customer base segmentation	Customer base segmentation by sales motivation	Segmentation of the customer base by 5R
Financial flow management	Financial flow management and mailing	Customer portfolio management and comprehensive CRM strategy
Marketing, advertising	Targeted marketing,	Automated sales management
Development of banking products	Customer product portfolio management	Full customer profile

Fig. 3. Stages of development of banking retail in a customer-oriented approach

Note: developed by the author on the basis of *[9]*

Banking retail as an object of risk research has a number of features. The main one is due to the significant complexity of the process of implementing a banking product and the evaluation of this process. Therefore, when analyzing the risk of innovative banking retail, it is necessary to move from building complex models of risk assessment to a detailed description of risk factors and developing measures to reduce each of them [9].

Western banks realized the need to move from product orientation to customer loyalty when faced with a significant loss of customer share in the financial market. The US banking sector responded to the shrinking customer base with a series of upswings that led to the consolidation of functions. And at this stage of these actions was enough for the industry to maintain its position. Product-centric business organization forces us to focus only on the payback of individual banking products, and the banking industry needs to learn to assess the profitability of products and services for bank customers. To make the transition to a customer-oriented model, you can reorganize the business according to a more individual approach to customers. The formation of models of this approach is associated with the emergence of the concept of banking retail.

Taking into account the experience of European banks, we can identify the main directions of development of retail banking in the context of current trends and the level of development of information technology.

1. Simplification of banking services in terms of tariffs, conditions of use and their total number has a positive impact on the maintenance and growth of the bank's customer base. The vast majority of customers want to get concise, comprehensive and clear information about banking services and products.

2. Personal service in the format of a dialogue with the client in order to establish a relationship of trust with him. The role of the bank as a seller of services has finally exhausted itself. Today, the client wants to get in the bank more than the selected service. As a result, those banking institutions that study the needs of customers, provide personal service and create value proposals for their customers are distinguished by high customer loyalty and, as a result, greater coverage of the customer base with products and services.

3. The study of customer behavior and customer path data today is an integral part of the marketing policy of the leaders of the banking sector and institutions that fully meet the criteria of a customer-oriented bank. Accumulation, analysis and use of data for the formation of marketing activities can increase the relevance of advertising links to the customer and the effectiveness of sales.

4. Expanding the range of services provided while simplifying and reducing the share of homogeneous products allows you to attract more customers and at the same time reduce customers' desire to change the service bank. This is confirmed by the data of customer loyalty surveys of banking institutions in Europe,

which use banks other than the servicer, only in the absence of the "main bank" services they need. The implementation of these measures will promote the development of domestic retail banking business, increase customer loyalty.

Further investigation of these issues should be carried out in the direction of substantiating the relationship of customer loyalty with the number of banking and other services provided by domestic banks. The development of online channels, the sale of services in banks and the introduction of the concept of service in the retail banking business are promising trends and require thorough study based on the experience of developed countries.

Conclusion. The efficient operation and competitiveness of any commercial bank is largely ensured by the introduction of the latest services of commercial banks, socially oriented services by expanding the scope of retail with the use of innovative technologies. Banking retail should actively develop in the areas of maintaining deposits at the current level, increasing the resource base by attracting household deposits, increase without mortgages and short-term loans, increase commission income by increasing the number of transfers, utilities, payment card services, as well as development of alternative sales channels (Internet and client-bank, self-service terminals, banking networks).

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CZYNNIKI WPŁYWU NA BEZPIECZEŃSTWO GOSPODARCZE UKRAIŃSKICH PRZEDSIĘBIORSTW PRZETWÓRCZYCH

Streszczenie.

Artykuł ujawnia teoretyczne podstawy pojęcia „bezpieczeństwo", „bezpieczeństwo ekonomiczne przedsiębiorstwa". Rozwój przedsiębiorstw przetwórczych przemysłu piekarniczego wpływa na kształtowanie bezpieczeństwa żywnościowego i jest orientacyjnym wskaźnikiem rozwoju gospodarczego Ukrainy. Bezpieczeństwo ekonomiczne bezpiecznych przedsiębiorstw przetwórczych branży piekarniczej to stan ich działalności, który charakteryzuje się odpornością na zagrożenia wewnętrzne i zewnętrzne, zdolnością do zapewnienia realizacji własnych interesów ekonomicznych, zdolnością do działania i rozwoju w warunkach zdrowej konkurencji i ryzyko biznesowe. Stwierdza się, że osiągnięcie ogólnego poziomu bezpieczeństwa ekonomicznego przedsiębiorstw przetwórczych wymaga zbadania pełnego spektrum czynników, od których zależy efektywność ich działania w warunkach ostrej konkurencji. Artykuły analizują stan rozwoju przedsiębiorstw branży piekarniczej, identyfikują zewnętrzne i wewnętrzne czynniki wpływające na bezpieczeństwo ekonomiczne przedsiębiorstw.