

**MINISTRY OF EDUCATION AND SCIENCE OF
UKRAINE**

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**FACULTY OF ECONOMY AND BUSINESS
ADMINISTRATION**

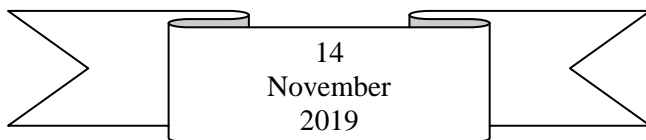
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PROSPECTS FOR DIGITAL TRANSFORMATION OF BANKING

Digitalization covers more and more areas of modern life, and the banking sector is no exception to this trend. Since banks play a significant role in the normal functioning and sustainable development of the economy, they are obliged to constantly introduce the latest achievements of scientific and technological progress into their daily activities.

Digitalization changes “rules of the game” in many areas due to possible shifts in traditional business models, and it causes the emergence of a much more complex and dynamic ecosystem of growth and innovation. Digital infrastructure has accelerated the emergence of new technologies, such as social networks, cloud computing, Big Data analytics, mobile devices, 3D printing and stand-alone artificial intelligence systems that constantly change the functioning and organization of small, medium and large enterprises, and also affect the structure of entire branches of a national economy.

It is appropriate to define digitalization as a practical transformation of processes, content or objects, that are initially (partially or completely) physical or analogous, into (more or less fully) digital – which based on discrete signals. The effect of digital transformation, in addition to the potential increase in efficiency, is in making target objects more adaptive and flexible.

The beneficial effects of digitalization physical content (e.g. image, video or text) are well known: they mainly consist in the possibility of unlimited copying and distribution, significant reduction in the cost of storage, duplication and movement, expanding the capabilities of search, analysis, editing and improving content. Digitalization of objects gives them new properties – programmability, targeting, sociability, memorability, traceability and associativity [1, p. 333] – which together make digital content very flexible in application, and also open up new areas of its potential functionality.

It is on the widespread use of digitalization in the implementation of financial services are based new links of the financial system, known as FinTech companies. On the banking market their products are represented by payments (in particular, mobile), personal loans (P2P), insurance, and even financial consultations, which have historically been considered part of conventional banking services. FinTech companies focus mainly on retail banking, where there is the prospect of narrowing the gap between customer expectations and their satisfaction from a credit institution. The development of such business models occurs according to the

following main characteristics: accessibility; transparency; ease of customer acquisition; ease of distribution and commercial appeal; specialization [2].

The competition between banks and FinTech companies has already changed into cooperation in the FinTech / RegTech ecosystem [3, p. 55]. Banks with an open and flexible digital architectural system can take advantage of such cooperation. In terms of FinTech, the tension is based on differences in culture and operational processes. Banks have experience in financial expertise, infrastructure and “stable customers” bases; FinTech firms are flexible, and they have an innovative focus on building a future client base.

Under such conditions, the full-scale digitalization of the traditional banking business is not only a condition for maintaining competitiveness in the market, but also a vital step to prevent a decline of the entire industry. The key to success along this path is compliance with the requirements of financial inclusion, i.e. the creation of conditions for a widespread availability and elasticity of banking services. Therefore, the main aspects are: 1) customer focus; 2) openness to innovation; 3) organizational flexibility.

Customer focus in the context of digitalization is, first of all, orientation to the quality of customer service combined with an in-depth study of the role of bank branches. Based on this, the main success factors in the process of achieving a high level of client-centricity are: awareness and pragmatism of a bank, willingness and creativity, as well as the need to reformat the role of branches.

Another problem facing banks of the Digital era is their openness to innovation, which appears through the integration of marketing and IT – in fact, this is the essence of digitalization. Innovation in this process is the genesis of the development and delivery of products and services. The banking market is changing rapidly, so staying “on the crest of a wave” requires the highly effective combination of new technologies with a daily work of bank’s divisions.

Technological and organizational flexibility is also key in the digital evolution process. Flexible IT platforms are needed to digitalize banking models. Technological capabilities are the main difference for banks in the process of satisfying customer needs.

Digitalization of the banking sector is a dynamic process that every technological achievement adapts for daily use, both at the front- and back-office level. Banking will inevitably adapt to the current technological dimension, as it is pushed to this by both non-banking competitors and own customers. Therefore, steps towards realization in practice the latest technological achievements for customers, as well as for employees of the banking sector, are becoming routine.

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MAIN DIRECTIONS OF ORGANIZATION OF SALES OF INSURANCE PRODUCTS TO LEGAL ENTITIES IN POLAND

The selling of insurance products to corporate clients in Ukraine is developing together with the development of the entire insurance market. An analysis of recent trends makes it possible to ascertain that the scale of insurance in this sector, though they make up more than half of the whole market, in recent years they have considerably given way to insurance of individuals. The reasons for this are both an increase in the priorities of insurance for individuals, and insufficiently effective implementation and use of new, leading approaches to the organization of sales of insurance products to legal entities. Accordingly, given the urgent need to increase the volume of insurance in this sector, we see it important to consider the main possible options for adapting the leading foreign experience in this area of research. Poland's experience is useful for the domestic insurance market, despite the fact that this country shows higher capitalization rates of insurance companies, and carries out progressive regulatory measures in this sector.

According to the results of the study of statistical and analytical materials [1, 2; 3], it is established that at the present stage of development (in 2018) of Poland there are the following directions of organization of sales of insurance products to legal entities, namely:

- package insurance, as a whole, is widespread in large businesses and is gaining growth among small and medium-sized enterprises (SME sector). It is revealed that the volume of package insurance sales for the SME sector started to grow due to the fact that the growth of the package of insurance packages for SME

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