

THE IMPACT OF DIGITAL BANKING ON TRADITIONAL BANKING

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ABSTRACT

The digitization of banking, accelerated by the COVID-19 pandemic and the need for consumer requirements, has had a significant impact on the financial industry and how individuals use financial banking products/services.

The digitization of financial banking products/services has brought significant benefits to individual consumers, companies, and the financial industry in general. Through digital technologies such as the Internet, mobile applications, and blockchain, financial services are now much more accessible, fast, efficient, and secure.

It is necessary to mention the importance of the balance between digital banking services and human interactions with the consumer of financial banking products/services. Although the number of people who prefer to use digital banking products/services is constantly increasing, there are still customers who appreciate personal contact. Even those who like to use different applications for products/financial banking services provided by financial institutions prefer face-to-face interactions for complex financial products (those that incorporate a structure that makes it difficult for the customer to understand the risk involved, if customers do not have the necessary knowledge and experience to make their own investment decisions and understand the specific hazards). As banks continue to progress in digitizing customer experience, they must keep in mind that the omnichannel also includes the human side of the bank-client relationship. Following the goal of maximizing sales (of profit collected), banks tend to effectively combine digital and human channels to create a smooth omnichannel offer in the context in which the benefits of optimizing omnichannel capabilities are continuous and significant for institutions and customers.

In order to carry out the study, we used the following methods: analysis of information and data from a series of papers and specific (professional) publications; statistical data; comparison - the situation of the investigated subject in a certain period; synthesis - assuming conclusions and possible developments of the examined subject; we will study the historical method - the premises and the necessity of the emergence of the field of research and involving the latest studies; then, the inference - forming conclusions based on the realized subject.

The objective of this paper is to research the changes in the activity of banks and strategic directions determined by digitization, aiming at the purpose of meeting the needs and requirements of consumers, which will evaluate the consolidation of the bank-customer relationship and ensure a stable market position.

Keywords

digital banking, banking products and services, banking consumers, bank-client relationships, omnichannel, customer experience.