Journal DOI: 10.36713/epra1013 | SJIF Impact Factor (2025): 8.619 ISSN: 2347-4378
EPRA International Journal of Economics, Business and Management Studies (EBMS)
Volume: 12 | Issue: 6 | June 2025 -Peer-Reviewed Journal

ENHANCING CUSTOMER SERVICE EFFICIENCY IN THE ERA OF DIGITAL BANKING: A CASE STUDY OF JSCB 'SANOATQURILISHBANK' IN SURKHANDARYA REGION

Muradova Rano Anvarovna
Research, Tashkent State University of Economics, Tashkent, Uzbekistan

ABSTRACT
In the digital age, banking institutions are undergoing a significant transformation aimed at improving customer service efficiency through the adoption of advanced technologies. This study examines how digital banking initiatives influence the quality, speed, and reliability of customer services at JSCB "Sanoatqurilishbank" in the Surkhandarya region of Uzbekistan. The research employs a mixed-method approach, incorporating surveys, interviews, and secondary data analysis. Findings indicate that digital platforms have notably enhanced transaction speed, security, and accessibility for clients. However, regional infrastructure gaps and limited digital literacy among certain client segments remain substantial barriers. The study proposes actionable strategies, including digital literacy programs, improved technical support, and infrastructure upgrades to close these gaps. The results provide important implications for policy-makers, banking executives, and regional development planners aiming to enhance inclusive digital banking services across Uzbekistan.

KEYWORDS: *Digital Banking, Customer Service Efficiency, Sanoatqurilishbank, Surkhandarya Region, Digital Transformation, Financial Services, Customer Satisfaction, Banking Infrastructure, Uzbekistan, Digital Inclusion*

1. INTRODUCTION

In the modern financial landscape, the digital transformation of banking services has become a critical driver of competitiveness, efficiency, and customer satisfaction. As customer expectations evolve alongside technological advancements, commercial banks are compelled to reassess and improve their service delivery mechanisms. Digital banking, which encompasses online platforms, mobile applications, self-service terminals, and AI-driven customer interaction tools, is now seen not merely as a value-added service, but as a core component of banking operations.

In the context of Uzbekistan, the banking sector is undergoing significant reform, guided by national strategies aimed at increasing financial inclusion, digital infrastructure, and innovation-led development. One of the prominent players in this transformation is Joint-Stock Commercial Bank "Sanoatqurilishbank", which has initiated several digital service projects to modernize its operations and improve customer experience across regional branches.

This study focuses specifically on the Surkhandarya region, a strategically important yet relatively under-analyzed area in terms of digital banking penetration. Despite infrastructure challenges, the region presents a unique testing ground for assessing how digital transformation impacts customer service quality, speed, reliability, and accessibility.

The relevance of this research lies in identifying bottlenecks and opportunities for enhancing the operational efficiency of retail banking services through digital tools. By analyzing current practices and customer feedback within the Surkhandarya branch of Sanoatqurilishbank, this study aims to propose data-driven solutions that align with global banking trends and local realities.

The purpose of the research is to evaluate the digital transformation processes of Sanoatqurilishbank in the Surkhandarya region, and to develop practical recommendations for improving customer service efficiency in line with international standards.
The following research tasks are defined:
- To analyze the theoretical framework and global best practices in digital banking;
- To assess the current state of customer service at the Surkhandarya branch of JSCB "Sanoatqurilishbank";

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– To identify challenges and digital transformation gaps affecting service efficiency;
– To propose strategic and technological solutions for improving customer satisfaction and operational performance.
The object of the study is JSCB "Sanoatqurilishbank", while the subject is the efficiency of customer services in the context of digital transformation, with a focus on the Surkhandarya regional branch.

This research is expected to contribute to the broader discourse on banking reform in Uzbekistan, offering insights that can be adapted to other regional banks aiming to optimize their services in the digital era.

2. LITERATURE REVIEW

Digital transformation in the banking sector has become a central theme in both academic and professional discourse. A growing body of literature explores how the adoption of digital technologies reshapes customer service delivery, reduces transaction costs, and enhances customer satisfaction.

Scholars such as Bălan (2021) and Omarini (2017) have highlighted that digital transformation in banking is not limited to technology adoption but encompasses changes in business models, organizational culture, and customer engagement. It introduces new channels such as mobile apps, internet banking, chatbots, and AI-based personalization, which improve convenience and accessibility. According to PwC (2020), customer expectations are increasingly defined by the digital experiences they receive from non-financial industries, urging banks to accelerate their digital initiatives.

Customer service efficiency refers to the bank's ability to deliver fast, reliable, and customer-oriented services. According to Parasuraman et al. (1988) and the SERVQUAL model, the quality of service in the digital context depends on reliability, responsiveness, and empathy. Kaura (2013) emphasized that the shift to digital channels significantly improves operational efficiency but also presents new challenges such as cybersecurity, digital literacy, and system downtime.

Studies by the World Bank (2022) indicate that digital banking enhances financial inclusion in emerging economies by reaching underserved regions. In countries like India, the digitalization of public sector banks has led to improved rural penetration and customer responsiveness. Similarly, China's fintech integration, driven by platforms such as Alipay and WeBank, has shown that digitized services can revolutionize customer experience.
In the context of Central Asia, including Uzbekistan, research remains limited. However, Abdullaev & Rakhimova (2021) examined early-stage digital service models in Uzbek banks, identifying infrastructure and human capital as critical constraints. Government strategies such as the "Digital Uzbekistan 2030" initiative encourage banks to modernize IT systems and develop digital ecosystems.

Few detailed studies exist on regional banking performance in Uzbekistan. However, Islomov (2022) analyzed the digital banking expansion of major banks in Tashkent and noted a positive correlation between IT investment and customer satisfaction levels. Studies specific to Sanoatqurilishbank are sparse, although internal reports suggest ongoing efforts to digitize loan processing, client onboarding, and payment services.

Despite the growing emphasis on digital transformation, there is a noticeable gap in research examining:
– Regional disparities in the implementation of digital banking services in Uzbekistan;
– Empirical studies focused on customer service efficiency in rural or underdeveloped areas like Surkhandarya;
– Institutional case studies (e.g., Sanoatqurilishbank) that connect digital upgrades with measurable customer experience improvements.
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This literature review underlines the need for region-specific, evidence-based research to guide the development of customer-centered digital banking strategies, especially in Uzbekistan's regional banking sector.

3. METHODOLOGY OF RESEARCH

The methodology of this study is designed to systematically evaluate how digital transformation affects the efficiency of customer services provided by JSCB "Sanoatqurilishbank" in the Surkhandarya region. A combination of quantitative and qualitative methods is used to ensure a comprehensive analysis.

Research Design. This research employs a case study approach, which allows for an in-depth examination of a specific institution — Sanoatqurilishbank — within a defined geographic and organizational context. The design is both descriptive and exploratory, aimed at identifying service efficiency challenges and proposing data-backed digital solutions.

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Research Methods. Quantitative Analysis: A survey questionnaire was distributed among bank clients in the Surkhandarya branch. It covered key service quality dimensions such as: speed and reliability of transactions; accessibility of digital channels; satisfaction with mobile/internet banking; responsiveness to service requests.

Qualitative Interviews: Semi-structured interviews were conducted with: Branch managers and frontline employees. IT specialists within Sanoatqurilishbank. Select clients (for case insights on service experience)

These interviews explored internal perspectives on digital infrastructure, service delivery mechanisms, and customer feedback loops.

Data Collection Sources

Primary Data: structured questionnaires (100+ respondents); in-depth interviews (10–15 participants); observations of customer service processes in-branch and online Secondary Data: Bank reports and digital service performance statistics; Government strategy documents (e.g., "Digital Uzbekistan 2030"); Prior academic studies and benchmarks from international organizations (e.g., World Bank, IMF)

Sampling: Sampling Method: Stratified random sampling to ensure representation from different client types (individuals, SMEs, pensioners, youth); Sample Size: Approximately 100 customers and 10 staff members from the Surkhandarya branch.

Analysis Techniques. Descriptive statistics to analyze customer perceptions of service efficiency. Comparative analysis between digital and non-digital service modes. SWOT analysis of Sanoatqurilishbank's digital service capabilities in the region. Thematic coding for qualitative interview data using content analysis tools.

Research Limitations: limited access to internal performance data due to confidentiality constraints, regional focus (Surkhandarya) may limit generalizability to other branches or banks, potential respondent bias in self-reported satisfaction levels.

This methodological framework provides a robust basis for assessing the link between digital banking initiatives and customer service outcomes, and for developing practical recommendations tailored to the regional context of Uzbekistan.

4. DATA ANALYSIS

The data analysis was conducted using a combination of descriptive statistics, correlation analysis, and qualitative content interpretation. The aim was to assess the effectiveness of digital transformation initiatives and their impact on customer service efficiency at the Surkhandarya regional branch of JSCB "Sanoatqurilishbank." A total of 112 customers and 10 bank employees participated in the study.

Table 1. Respondent Distribution by Demographic Characteristics

Variable	Category	Percentage (%)
Age	18–30	36.6
	31–50	45.5
	51 and above	17.9
Gender	Male	52.7
	Female	47.3
Client Type	Individuals	69.6
	Entrepreneurs/SMEs	30.4
Digital Usage Frequency	Daily	54.5
	Weekly	35.7
	Rarely	9.8

Customer satisfaction was measured using a 5-point Likert scale, covering five key service dimensions: accessibility, responsiveness, speed, reliability, and security.

Table 2. Average Customer Satisfaction Scores by Service Dimension

Service Dimension	Mean Score (out of 5)	Standard Deviation
Accessibility	4.1	0.7
Speed of Transactions	4.0	0.8
Service Responsiveness	3.7	0.9
Service Reliability	4.2	0.6
Security and Trust	4.3	0.5

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The highest satisfaction levels were associated with security and reliability, indicating strong digital infrastructure. However, responsiveness to service issues and feedback showed relatively lower performance, requiring improvement.

A Pearson correlation test was conducted to determine the relationship between frequency of digital usage and overall service satisfaction. $r = 0.68$, $p < 0.01 \rightarrow$ Indicates a moderately strong positive correlation, suggesting that more frequent use of digital services corresponds with higher perceived satisfaction.

Analysis of semi-structured interviews revealed several insights:
Staff Perspective: Employees cited improvements in operational efficiency (e.g., loan processing time reduced by 30%) due to digital platforms but mentioned lack of regional training in digital tools.

Customer Feedback: Clients appreciated online/mobile banking services but complained about occasional system downtimes and limited technical support in rural areas.

Key themes identified: Need for improved digital literacy training. Insufficient technical support channels. Perceived increase in convenience and time savings.

Table 3. SWOT Snapshot (Digital Services in Surkhandarya Branch)

Strengths	**Weaknesses**
Secure and stable digital platforms	Limited regional infrastructure
Mobile banking availability	Inconsistent technical support
Fast transaction processing	Low digital literacy among some users
Opportunities	**Threats**
Expansion of remote services	Cybersecurity risks
Integration with e-Gov	Resistance to tech adoption (elderly)

The analysis confirms that digitalization significantly enhances service efficiency, but its full potential remains unrealized in regions like Surkhandarya due to infrastructure and personnel constraints.

5. DISCUSSION OF FINDINGS

The analysis of quantitative and qualitative data provides valuable insights into the progress and challenges of digital transformation within JSCB “Sanoatqurilishbank” in the Surkhandarya region. The findings demonstrate a moderate-to-high level of customer satisfaction with digital services but also reveal areas requiring strategic improvement.

The data confirms that digital transformation has improved customer service efficiency across key indicators such as transaction speed, service accessibility, and system reliability. High scores in security and reliability reflect strong IT infrastructure, suggesting that the bank has prioritized safe and stable digital platforms. These results are consistent with global studies (e.g., Omarini, 2017; PwC, 2020) that identify digital banking as a lever for operational optimization and customer engagement.

Moreover, the positive correlation between usage frequency and satisfaction ($r = 0.68$) supports the premise that increasing digital adoption leads to a better customer experience. This is particularly important for banks operating in developing regions, where the shift to digital can bridge gaps in service availability.

Despite the improvements, regional disparities remain a challenge. The Surkhandarya branch, while aligned with national digitization policies, still lags in infrastructure and technical support. Qualitative interviews with staff and clients revealed:

- Inadequate access to consistent internet and mobile networks;
- Occasional digital service interruptions;
- Lack of customer guidance for using advanced banking applications.

These limitations mirror challenges discussed in the literature on developing economies (e.g., Abdullaev & Rakhimova, 2021), were systemic infrastructure weaknesses slow digital adoption.

Another key finding is the low digital literacy among certain customer segments, particularly older clients and rural entrepreneurs. While the younger demographic actively uses mobile banking, the bank has yet to implement inclusive training programs. Similarly, staff members at the regional branch reported limited training opportunities for new digital tools, affecting their ability to assist clients efficiently.

This suggests a gap between technology availability and human capacity, which can hinder full utilization of digital services.

Based on these findings, Sanoatqurilishbank should consider the following strategic priorities:

- Enhance digital customer support channels, including chatbots and live help desks;
- Invest in digital training programs for both clients and frontline staff;
- Improve system stability and redundancy, particularly in rural zones;
- Launch awareness campaigns to build trust and familiarity with digital services.

These steps will not only improve service efficiency but also align the bank's regional operations with the broader goals of Uzbekistan's "Digital Economy Strategy 2030."

The progress observed in Surkhandarya echoes trends seen in more urban regions but at a slower pace. This confirms the hypothesis that regional development disparities impact the uniform implementation of digital banking services. Therefore, policy-level interventions may be needed to support regional branches through targeted funding, infrastructure upgrades, and regulatory flexibility.

In summary, while the bank has made measurable progress in enhancing service efficiency through digitalization, a holistic approach involving infrastructure, training, and customer education is essential to fully realize the benefits of digital banking in Surkhandarya.

6. CONCLUSION

The study explored the impact of digital transformation on the efficiency of customer banking services at JSCB "Sanoatqurilishbank" in the Surkhandarya region, one of Uzbekistan's emerging economic zones. The findings provide strong evidence that digital banking solutions—such as mobile apps, online transactions, and automated service tools—have significantly improved accessibility, reliability, and transaction speed for a broad base of customers.

Quantitative data revealed high satisfaction levels with key digital service dimensions, particularly in terms of security and reliability. A statistically significant positive correlation between the frequency of digital usage and service satisfaction confirms that digital channels are becoming central to customer engagement. Qualitative interviews further reinforced these findings, highlighting perceived improvements in convenience and time savings.

However, the research also uncovered regional limitations that must be addressed. These include underdeveloped technical infrastructure, insufficient user training, and inconsistent digital literacy—particularly among rural and older clients. Moreover, the lack of advanced staff training in IT tools reduces the efficiency of client interaction in a digital environment.

Therefore, to enhance service quality and ensure inclusive banking, JSCB "Sanoatqurilishbank" should:

– Expand digital support infrastructure in underdeveloped areas;
– Strengthen capacity-building programs for both staff and clients;
– Improve technical reliability and service continuity;
– Promote awareness campaigns to encourage digital adoption.

This case study contributes to the broader understanding of how regional banks in Uzbekistan can leverage digital tools to optimize customer service, while also addressing local challenges that hinder full-scale transformation. It provides practical recommendations not only for Sanoatqurilishbank but for other financial institutions aiming to align with the national strategy for a digital and inclusive economy.

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