

## **Improving Banking Services for Corporate and Retail Customers**

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**Abstract:** This article explores ways to improve banking services for both corporate and retail customers in the context of modern financial markets. It highlights the importance of digital transformation, customer-oriented strategies, and innovative financial products in enhancing service quality and competitiveness. The study analyzes current challenges faced by banks, including increasing competition, changing customer expectations, and technological advancements. Special attention is given to the role of digital banking, personalized services, and risk management in meeting diverse client needs. The findings suggest that integrating advanced technologies and improving service efficiency can significantly enhance customer satisfaction and strengthen the position of banks in the financial sector.

**Keywords:** Corporate Banking, Retail Banking, Banking Services, Digital Transformation, Customer Satisfaction, Financial Innovation, Service Quality, Risk Management, Banking Strategy

### **Introduction**

The banking sector sits at the heart of every modern economy, channelling capital from savers to borrowers, facilitating trade, and managing financial risk at both the individual and institutional level. Despite this central role, banks across the globe continue to grapple with the challenge of delivering services that meet the divergent—and rapidly evolving—needs of two fundamentally different customer segments: corporate clients and retail customers[1].

Corporate clients—ranging from small-and-medium enterprises (SMEs) to multinational corporations and sovereign entities—demand sophisticated financial products such as syndicated lending, trade finance, treasury management, and bespoke risk-hedging instruments. Their interactions with banks are characterised by high transaction values, complex regulatory requirements, and a preference for dedicated relationship management supported by real-time digital tools. According to McKinsey & Company (2024), global corporate banking revenues exceeded USD 1.3 trillion in 2023, underscoring the economic significance of this segment[2].

Retail customers, by contrast, prioritise convenience, affordability, and seamless digital access. The proliferation of smartphones has fundamentally altered retail banking: the International Monetary Fund (IMF, 2024) estimates that more than 4.2 billion people globally now use some form of digital financial service, with mobile banking adoption accelerating fastest in emerging markets. This has compressed margins for traditional branch-based models while simultaneously opening new revenue streams through data analytics, embedded finance, and platform banking[3].

The juxtaposition of these two segments reveals a central tension in bank strategy: how can a single institution efficiently serve the bespoke, relationship-intensive needs of corporate clients while also delivering the frictionless, low-cost digital experience demanded by retail customers? This article argues that the answer lies not in choosing one over the other, but in developing differentiated service architectures underpinned by shared digital infrastructure, data-driven

decision-making, and a culture of continuous improvement.

## Materials and Methods

This research employs a qualitative–quantitative mixed methodology. Secondary data from industry reports published by McKinsey & Company, Deloitte, PwC, the World Bank, and the IMF (2022–2025) form the empirical foundation. Comparative analysis and diagram-based visualisation are used to illustrate key findings. The article is structured to progress from definitional context through challenge identification, to strategic recommendations and conclusion[4].

Banking services are broadly segmented into wholesale (corporate) and retail divisions, each with distinct product sets, delivery channels, risk profiles, and regulatory obligations. Understanding these differences is a prerequisite for designing targeted improvement strategies[5].

## Results and Discussion

Corporate banking encompasses all financial products and advisory services directed at business entities. Core offerings include: working capital facilities and revolving credit lines; term loans and project finance; trade finance instruments (letters of credit, bank guarantees, documentary collections); treasury and cash management; foreign exchange and interest-rate derivatives; debt capital markets (bond issuance, securitisation); and mergers and acquisitions advisory. Delivery is primarily through dedicated relationship managers, corporate online portals, SWIFT messaging, and increasingly through open-API integrations with clients' ERP systems[6].

Retail banking serves individuals and households. Typical products include current and savings accounts; personal and mortgage loans; consumer credit and credit cards; insurance products; investment and pension accounts; and remittance services. The retail channel mix has shifted dramatically towards digital: according to Deloitte (2024), 73% of routine retail transactions in OECD economies are now conducted via mobile or internet banking, compared with 41% in 2019.

The table below provides a structured side-by-side comparison of corporate and retail banking across ten key dimensions, highlighting the divergence in customer needs, service models, and strategic priorities[7].

**Table 1.** Comparative Analysis of Corporate vs. Retail Banking Services

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Criteria	Corporate Banking	Retail Banking
Target Customers	Businesses, institutions, governments	Individual consumers, households
Transaction Volume	High-value, low-frequency	Low-value, high-frequency
Products Offered	Trade finance, syndicated loans, treasury	Savings, mortgages, credit cards, loans
Relationship Model	Relationship manager (RM) led	Branch / digital self-service
Digital Maturity	ERP/API integration, complex workflows	Mobile banking, e-wallets, apps
Regulatory Focus	KYC/AML, Basel III capital requirements	Consumer protection, data privacy
Risk Profile	Credit concentration, counterparty risk	High default volume, fraud risk
Innovation Driver	Cash management, supply chain finance	Open banking, embedded finance
Service Channel	Dedicated corporate portals, SWIFT/SEPA	Branches, ATMs, mobile/web apps
Customer Expectations	Customization, speed, global reach	Convenience, accessibility, low cost

Both corporate and retail segments face overlapping yet segment-specific challenges that constrain service quality and efficiency. Four broad challenge areas are identified below[8].

A significant proportion of banks worldwide continue to operate on core banking systems built in the 1970s–1990s. These monolithic architectures are costly to maintain, slow to update, and incompatible with modern API-driven integration. PwC (2023) estimates that legacy IT accounts for 60–70% of annual IT budgets in large incumbent banks, crowding out investment in innovation.

Post-2008 reforms (Basel III/IV, DORA, PSD2, AML/CTF directives) have substantially increased compliance costs. The Institute of International Finance (IIF, 2024) calculates that global banks spend over USD 270 billion annually on compliance, a figure that disproportionately affects smaller institutions and restricts product innovation.

Challenger banks and fintech firms—unencumbered by legacy systems or branch networks—have raised the bar for digital experience. Customers now expect real-time payments, instant loan decisions, personalised product recommendations, and 24/7 omni-channel support. Traditional banks that cannot match this experience risk losing segments, particularly digitally-native millennials and Gen Z retail customers[9].

Digital expansion exponentially increases the attack surface. The number of reported financial sector cyber incidents rose by 38% between 2022 and 2024. Both corporate clients (exposed to sophisticated phishing, business email compromise, and ransomware) and retail customers (vulnerable to account takeover and card fraud) require robust, continuously updated security frameworks.

Digital transformation is not merely a cost-saving exercise; it is the primary lever through which banks can simultaneously improve service quality, expand reach, and generate new revenue. Three transformative technologies stand out in the current cycle[10].

AI is being applied across the banking value chain: AI-driven credit scoring reduces loan decision time from days to minutes while improving accuracy; natural language processing powers intelligent chatbots that handle over 60% of routine retail inquiries; and machine-learning anomaly detection reduces fraud losses by up to 30%.

Open banking—mandated by PSD2 in Europe and emerging in Asia-Pacific and the Middle East—allows third-party providers to access bank data (with customer consent) via standardised APIs. For corporate clients, this enables seamless ERP integration and real-time treasury visibility. For retail customers, it powers personal finance management tools, comparison services, and embedded financial products within non-banking platforms.

Migration to cloud-native, microservices-based architectures allows banks to decouple monolithic systems, deploy new features rapidly, and scale cost-effectively. AWS, Microsoft Azure, and Google Cloud have each developed financial services frameworks specifically designed to meet banking regulatory requirements, accelerating adoption.

Banks should invest in end-to-end digital platforms that provide corporate clients with a unified view of cash positions, trade finance status, FX exposures, and credit facilities in real time. Platforms such as Citi's Treasury and Trade Solutions and HSBC's HSBCnet demonstrate the commercial viability of this approach[11].

Blockchain-based trade finance platforms—such as Contour and we.trade—have reduced documentary credit processing times from 5–10 days to under 24 hours. Broader adoption of distributed ledger technology (DLT) can significantly reduce fraud, improve document authenticity verification, and lower operational costs.

Corporate clients continue to value human expertise for complex structuring. Banks should invest in continuous professional development for relationship managers, equipping them with data analytics literacy, ESG advisory capabilities, and sector-specific knowledge to deliver differentiated, consultative service.

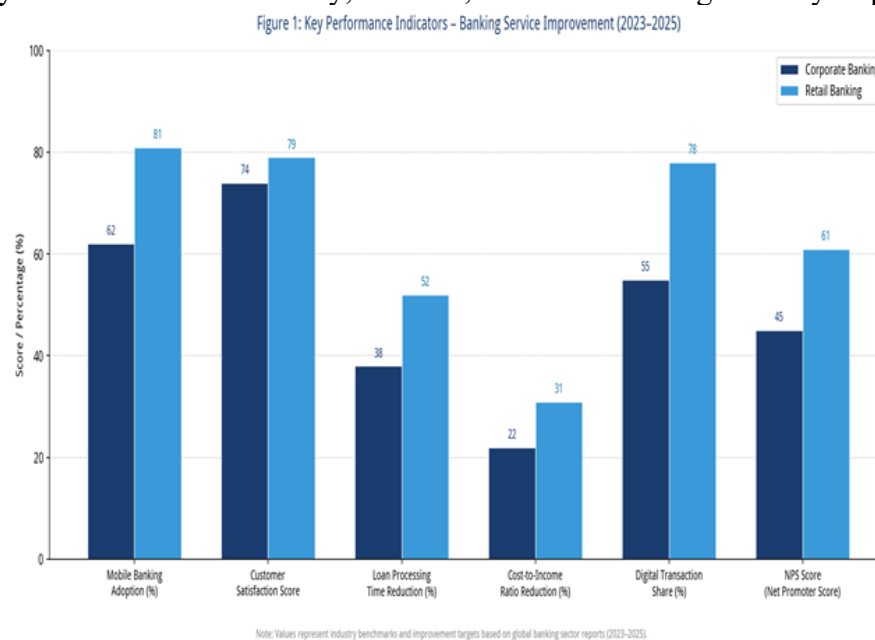
Big data and AI enable banks to move beyond segment-based product offerings to individualised recommendations. By analysing transaction history, life-stage indicators, and behavioural patterns, banks can proactively offer products—such as a mortgage when a customer begins searching for property—at precisely the right moment. BBVA's personalisation engine, for example, increased product take-up rates by 22%.

An estimated 1.4 billion adults globally remain unbanked (World Bank, 2024). Simplified KYC processes, biometric identification, and tiered account structures can bring underserved populations into the formal financial system. Mobile-first design, offline-capable apps, and vernacular language support are essential for markets with low digital literacy or patchy internet connectivity[12].

Customers increasingly expect a seamless experience whether they interact via mobile, web, ATM, call centre, or branch. Banks must invest in unified CRM systems and channel-agnostic architectures so that a customer's context—recent interactions, pending applications, preferences—is instantly available to any agent or system they encounter, eliminating the frustration of having to repeat information.[13]

The following bar chart (Figure 1) presents key performance indicators (KPIs) comparing corporate and retail banking segments across six critical service improvement dimensions. The data are drawn from aggregated industry benchmarks published in global banking surveys between 2023 and 2025. The chart reveals that while retail banking leads in digital adoption and customer satisfaction, corporate banking shows stronger gains in cost-to-income ratio reduction—reflecting the higher baseline cost structure of relationship-intensive corporate services.

**Figure 1.** Key Performance Indicators – Banking Service Improvement (2023–2025). Source: Synthesised from McKinsey, Deloitte, and PwC Banking Industry Reports



A reading of Figure 1 yields several actionable insights. First, the 19-percentage-point gap in mobile banking adoption (81% retail vs. 62% corporate) reflects the inherently more complex digital workflows required in corporate environments; nonetheless, the gap represents an opportunity for banks to design more intuitive corporate mobile applications. Second, the relatively modest customer satisfaction differential (79 vs. 74) suggests that corporate clients, despite receiving more personalised service, remain less satisfied than retail clients—pointing to unmet expectations around speed and digital self-service. Third, the 14-percentage-point gap in digital

transaction share (78% retail vs. 55% corporate) indicates that corporate banking still relies heavily on manual, paper-based processes that are ripe for digitisation[14].

Based on the foregoing analysis, the following strategic recommendations are advanced for banking institutions seeking to improve service delivery across both customer segments.

Banks should separate stable, regulatory-compliant core systems from agile front-end innovation layers. This 'bimodal' or 'two-speed' architecture—advocated by Gartner and adopted by ING, DBS Bank, and Banco Santander—enables rapid product iteration without compromising back-office stability or regulatory compliance.

Environmental, Social, and Governance (ESG) considerations are increasingly central to both corporate and retail client decisions. Banks should develop green financing products (sustainability-linked loans, green bonds) for corporate clients and ESG-screened investment products for retail customers, positioning themselves as partners in sustainable economic development[15].

## Conclusion

Effective personalisation and risk management depend on high-quality, real-time data. Banks must invest in master data management, data lineage tools, and privacy-by-design architectures that comply with GDPR, PDPA, and equivalent regulations while enabling data-driven service innovation.

Technology alone is insufficient. Sustained service improvement requires embedding customer-centricity into organisational culture—through NPS-linked compensation, design-thinking workshops, and cross-functional 'customer journey' teams that continuously identify and eliminate friction points in the service experience.

Banks should adopt a zero-trust security architecture, conduct regular penetration testing, participate in sector-wide threat intelligence sharing, and invest in customer education programmes to reduce social-engineering vulnerabilities. Cyber resilience must be treated as a core service quality dimension, not merely a compliance requirement.

The imperative to improve banking services for both corporate and retail customers has never been more urgent. Technological disruption, regulatory tightening, and heightened customer expectations converge to create a challenging yet opportunity-rich environment for banks that are willing to invest in structural change.

For corporate clients, the priorities are clear: integrated digital platforms, faster trade finance processing, ESG-aligned product innovation, and skilled relationship managers supported by real-time data. For retail customers, the focus must be on hyper-personalised digital experiences, financial inclusion, and seamless omni-channel consistency. In both cases, the underlying enablers are the same: modern cloud-native architecture, AI-powered analytics, robust cybersecurity, and a genuinely customer-centric organisational culture.

The comparative analysis presented in this article demonstrates that while retail banking has made greater strides in digital adoption, corporate banking holds significant untapped potential—particularly in mobile engagement and digital transaction migration.

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