

# **UKRAINIAN BANKS AND INCREASING THEIR COMPETITIVENESS IN THE INTERNATIONAL MARKET**

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This work represents modern method of control over the banking services provided by the Ukrainian banks to foreign customers which is widespread and popular in the international practice.

The Ukrainian banking sector has changed significantly in recent years, with three main trends emerging. The role of foreign banks is growing both in terms of their number and expanding activities. First, retail lending continues to grow rapidly, despite growing concerns about the deceleration of real income growth, the deterioration of portfolio quality and increasing market saturation. The second, trend is the increased competition among the largest banks, which is coming from banks with foreign capital

that pursue aggressive strategies aimed at attracting new clients and gaining a greater a market share.

The market of banking services CSFB takes an important place in world trade. According to the estimates of the International Monetary Fund, they make 7,5% from the total amount of trade in services.

Making competitiveness of transnational banks stronger innovative strategies are playing more growing value which are based on the use of three newest bank technologies: Internet, electronic banking, smart cards.

The object of the given work is world-known method of bank services management and Ukrainian banks.

The subject of the given work is activity of the international bank after using given method and variety of services that they provide.

The objective of the work is to observe the services of world-known banks that are making banks competitiveness higher and work-out some improving methods for national banks.

Among scientific labors, theoretical bases of globalization of financial-credit sphere, model of internationalization of bank activity, problem sphere of essence of transnational bank capital, international practice of functioning of commercial banks, methods of estimation of global competitiveness of TNB it is necessary to mention labors of such researchers as: A. Abiad, A. Bezzub, A. Berger, O. Bilorus, M. Bredford, Z. Vasil'chenko, V. Geec', Kh. Derikh, E. Detragayke, A.Dzhenevezi, R. Duttagupta, U. Edvardes, M. Eng, S. Koz'menko, V. Kravec', P. Krugman, L. Kurakov, P. Lindert, F. Lis, D. Luk'yanenko, Z. Lucishin and others. A considerable contribution in development of theory of marketing and decision of problem issues of the bank marketing was brought in by such Ukrainian scientists: G. Azarenkova, A. Gal'chinskiy, D. Zavadska, B. Zablokiy, O. Kirichenko, B. Luciv, V. Matvienko, A. Nikitin, A. Pavlenko, E. Pashkovska, P. Interruption, E. Reshetnikova, L. Romanenko, A. Starostina and others.

A modern bank competition has a row of specific features, which distinguish it from a competition in other industries of economy and predefined with changes which take place on national and world financial markets. One of basic features is strengthening of intensity and complication of forms of competition between financial mediators, related to the global processes. The basic factors of sharpening of competition between banks is homogeneity of bank products, that is the presence of perfect competition at the market of bank services; fight for free cheap resources, usually, this is the rest on the clients' accounts, that makes banks prove their competitiveness and management quality before clients; limited operating tools of bank services, which make banks compete in the field of determination of price for bank services.

The reasons for which a market competition in a bank sector must be a dominant factor: 1. Banks which are selected as a result of strong competition are banks which use their capital more effective; quickly adapt themselves to the market innovations; have a flexible and strategically self-weighted policy, high-quality management and effective informative systems. 2. Competition for the customers of bank services means fight for resources, results to expansion of assortment of the noted services, forcing out from market off-grade products. When the restriction of solvent demand takes place, it affects the reduction, with the next stabilization of business profitability that turns to strengthening of competition. 3. Investigation of perfect competition at the market is reduction of prices of cost of bank services.

The national banking system needs a new organizational technology which was opened on the basis of informative possibilities of application of market mechanisms and instruments. In particular growth of market possibilities of commercial banks is exactly in sphere of the created information technologies and enables to improve quality, availability, distribution.

Further research will investigate one of the perspective methods of development of the bank marketing in the system of commercial banks — the viral marketing, technologies of which will enable to set more close and confiding relations with customers, to reduce the risks of business and promote quality of the given bank services. Development of the viral marketing on the basis of Internet technologies will be an instrument in strengthening of bank`s competition, and also will change advantages and expectations of customers in relation to quality of service and will stipulate the actual necessity of making adequate scientific custom– directed approaches.

#### **REFERENCES:**

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3. The Handbook of Financial Instruments Hardcover.– 2002// by Frank J. Fabozzi (Author), Frank J. Fabozzi CFA (Editor).

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