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ASSESSMENT OF TECHNOLOGICAL CHANGES AS A FACTOR INFLUENCING THE ACTIVITY OF NEOBANKS

In recent years, the rise of neobanks has revolutionized the banking industry, offering a range of technologically advanced financial services. Neobanks, also known as digital banks, operate exclusively online, leveraging technological innovations to provide enhanced customer experiences. As this industry continues to evolve, it is essential to assess the impact of technological changes on the activity of neobanks.

Technological changes play a pivotal role in shaping the activity of neobanks. The advent of smartphones, artificial intelligence, big data, and cloud computing has transformed the way financial services are delivered and consumed. Neobanks have capitalized on these advancements, offering seamless and convenient banking experiences through user-friendly mobile applications. For instance, neobanks utilize digital onboarding processes, eliminating the need for in-person visits and paper-based documentation, thus enhancing efficiency and enabling customers to open accounts remotely [1].

Furthermore, neobanks leverage cutting-edge technologies, such as machine learning algorithms and predictive analytics, to provide personalized financial recommendations and automate repetitive processes. These technological advancements allow neobanks to offer quick credit decisions, assess creditworthiness, and tailor financial products to individual customers [2]. By harnessing the power of technology, neobanks can deliver superior customer experiences, increase operational efficiency, and drive revenue growth.

Neobanks must be cautious when adopting new technologies, as cybersecurity risks and data breaches pose significant threats. With large amounts of customer data stored digitally, neobanks become attractive targets for hackers. It is essential for neobanks to invest in robust cybersecurity infrastructure, employing advanced encryption techniques, multi-factor authentication, and continuous monitoring systems to safeguard customer information [3]. By prioritizing

cybersecurity investments, neobanks can build trust and instill confidence among their customers.

Customer Expectations and Technological Changes

The assessment of technological changes as a factor influencing the activity of neobanks must consider the shifting customer expectations and behaviors. With the proliferation of digital services, customers have come to expect personalized, seamless, and intuitive experiences across all sectors, including banking. Neobanks, with their agile structures and technological prowess, are well-positioned to meet these evolving customer demands [4].

According to a study by PwC, customers value convenience, speed, and transparency when choosing a banking provider. In this context, neobanks shine by offering user-friendly interfaces, frictionless money transfers, real-time updates, and personalized financial recommendations [5]. Through mobile applications and responsive websites, neobanks enable customers to access their financial information anytime, anywhere, fostering a sense of control and empowerment.

Researchers have extensively studied the impact of technological changes on the activity of neobanks. For example, a study conducted by Armstrong et al. (2019) identified that technological innovations are the primary drivers of neobank growth, enabling them to attract a younger demographic and disrupt traditional banking models [6]. Similarly, El-Shanawany et al. (2021) analyzed the strategies employed by neobanks to leverage technological advancements, emphasizing their focus on customer-centricity and agility [7].

Another study by Sharma et al. (2020) highlighted how neobanks utilize technology to improve financial inclusion by providing access to banking services for the unbanked and underbanked populations [8]. This underscores the transformative potential of technological changes in the realm of neobanking.

In conclusion, technological changes have transformed the activity of neobanks, enabling them to provide convenient, personalized, and user-friendly financial services. Neobanks leverage various technologies, such as mobile applications, artificial intelligence, and cybersecurity measures, to offer seamless customer experiences and drive business growth. Customers now expect intuitive digital banking solutions, and neobanks have successfully positioned themselves to meet these evolving demands. As the industry continues to evolve, assessing technological changes remains critical for neobanks to stay competitive and meet the needs of their customers.

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