

## **Digitization of Banking Services and its Impact on Customer Satisfaction: Case, Republic of North Macedonia**

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*Abstract.* Today, the banking system in the country has become so technologically advanced that almost all banking services are delivered through electronic platforms. Electronic banking in North Macedonia has a relatively recent history of its development. Of course in its beginnings, Electronic Banking has a small number of clients and a low volume of transactions on these platforms. This is due to their reluctance, low penetration of internet in local households or even the small banking development of these e-banking platforms.

Two main aspects will be considered in this paper: Firstly, the management of the process of digitization of services and products in the Banking System in the Republic of North Macedonia will specifically examine the information security system, the credibility of the measure against the digitalization of the banking system and the risk of social engineering. Second, we will present a survey of 100 respondents on "Bank customers' satisfaction with e-banking in the Republic of North Macedonia and reliability of their data usage.

Digital banking as a new business model, offered through multiple integrated channels of electronic banking services is the future of every banking sector in a century when technological innovation knows no bounds. The challenge of the banking sector in Macedonia remains the use of electronic banking services by customers.

According to the results, banks need to improve the customer experience in using multiple sales channels. They should proactively encourage more massive use of electronic services, through more favorable pricing of electronic banking services. Customers should also be constantly informed and educated about the use of these services and the risks arising from the use of digital technologies. Research highlights that the highest percentage of users are in favor of digitizing banking services because they benefit in different ways. Some of these benefits for clients include avoiding unnecessary waiting in line to do some work at the bank, avoiding adjusting their personal schedule to that of hours when the bank is open, etc. The findings of our survey also show that bank customers' satisfaction with e-banking in Macedonia and the reliability of their data security during use is high.

*Keywords:* digitalization, services, banking system, satisfaction