Ministry of Education and Science of Ukraine
Sumy State University
Oleg Balatskyi Academic and Research Institute
of Finance, Economics and Management

SOCIO-ECONOMIC CHALLENGES

Proceedings
of the International Scientific and Practical Conference

(Sumy, November 3–4, 2020)

Sumy
Sumy State University
2020

330.3:005(063)
S62

Editor-in-Chief

Prof., Dr. ***Vasilyeva Tetyana***, Director of Oleg Balatskyi Academic and Research Institute of Finance, Economics and Management, Sumy State University

Editorial Board:

Prof., Dr. ***Dyakonova Iryna,*** Sumy State University, Ukraine;
Prof., Dr. ***Kuzmenko Olha,*** Sumy State University, Ukraine;
As. Prof., Dr. ***Lyulyov Oleksiy,*** Sumy State University, Ukraine;
As. Prof., Dr. ***Shvindina Hanna,*** Sumy State University, Ukraine;
As. Prof., Dr. ***Shkarupa Olena,*** Sumy State University, Ukraine;
As. Prof., PhD. ***Bhola Khan***, Yobe State University, Nigeria;
As. Prof., PhD. ***Dipra Jha***, School of Hospitality Business Management, Washington State University

Approved by the Academic Council of Sumy State University
(protocol № 5, 12 November 2020)

S62 Socio-Economic Challenges : Proceedings of the International Scientific and Practical Conference, Sumy, November 3–4, 2020 / edited by Prof., Dr. Vasilyeva Tetyana. – Sumy : Sumy State University, 2020. – 511 p.

Proceedings of the International Scientific and Practical Conference "Socio-Economic Challenges" are devoted to finding a systemic solution to multidisciplinary problems in the field of modern development, management, administration of various systems, corporate social responsibility, innovation management in various fields of environmental management.

For scientists, scientists, students, graduate students, representatives of business and public organizations and higher education institutions and a wide range of readers.

330.3:005(063)

© Sumy State University, 2020

TABLE OF CONTENTS P.

Authors	Title	P.
Tetiana Vasylieva, Iryna Didenko, Vladyslav Smiianov, Soldatenko Darina	INFLUENCING THE FACTORS OF COMMUNITY HEALTH INTO THE DIFFERENTIATION OF REGIONS OF UKRAINE FOR BECOMING ILL ON COVID 19	13
Tetyana Vasilyeva, Serhiy Lieonov, Nataliia Letunovska	THE ECONOMIC IMPACT OF COVID-19: FORECASTING FOR UKRAINIAN REGIONS	18
Yuriy Petrushenko, Natalia Zemliak, Sofia Petrenko	THE IMPACT OF EDUCATION ON MIGRATION	23
Serhiy Lyeonov, Aleksy Kwilinski, Denys Pudryk, Shaforost Yuliya	INTERNATIONAL MIGRATION AND DEMOGRAPHIC CHANGE: BIBLIOMETRIC ANALYZING AMONG RESEARCHERS USING SCOPUS AND GOOGLE SCHOLAR	27
Iryna Dehtyarova, Leonid Melnyk, Oleksandr Kubatko,	SOCIO-ECONOMIC EFFECTS OF DISRUPTIVE TECHNOLOGIES	34
Oleksandr Kubatko, Iryna Sotnyk, Alona Olondar	ESTIMATION OF THE CORONAVIRUS CRISIS IMPACT ON THE ENERGY AND ECONOMIC SECURITY OF THE NATIONAL ECONOMY	42
Oleksandra Karintseva, Oleksii Goncharenko, Mariia Myslovskaya, Oksana Hrinevich	ASSESSMENT OF CONSEQUENCES OF THE VIRTUAL REALITY ECO-TOURS ADVANCING IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT AND THE COVID-19 PANDEMIC	50

Viktor Sabadash, Oleksandra Karintseva, Mykola Kharchenko, Viktoriia Sabadash	ACCESS AND RESOURCE ALLOCATION IN THE GLOBAL ECONOMY: CHALLENGES OF POST-INDUSTRIAL SOCIETY	61
Shaparenko S.	SOCIO-ECONOMIC PRECONDITIONS FOR THE DEVELOPMENT OF ENERGY NETWORKS	69
Bilan A.	BLOGGER IS A MODERN PROFESSION	77
Ancibor T.	OPENING YOUR OWN HAIRDRESSING SALON AS A BUSINESS	84
Vorobyouv I.	OPENING YOUR OWN FARM-STYLE CAFE	92
Bondarenko Alla, Piven V.S.	ADVANTAGES AND DRAWBACKS OF SALES PROMOTION OF GOODS	100
Maksym Kirilenko, MU Jianming	PROBLEMS OF IMPLEMENTATION OF INDUSTRY 4.0 IN UKRAINE	106
Leonid Taraniuk, Hongzhou Qiu, Karina Taraniuk, Serafima Shakhova, Samuel Bot	ANALYSIS ON APPLICATION AND CONTRIBUTION OF INTERNET OF THINGS TO LOGISTICS ENTERPRISES IN THE CONTEXT OF GLOBALIZATION	114
Vitaliia Koibichuk, Serhii Drozd	PREDICTIVE ANALYSIS OF TRENDS IN THE TOURISM INDUSTRY IN TERMS OF EU COUNTRIES	118
Iryna D'yakonova, Leonid Taraniuk, Yuri Petrushenko, Anastasiya Shebeda	FORMAL AND INFORMAL APPROACHES TO RELATIONS CENTRAL BANK OF THE COUNTIES WITH THEIR GOVERNMENT	125

Bhola Khan	THE IMPACT OF THE SECOND NATIONAL FADAMA DEVELOPMENT PROJECT ON POVERTY REDUCTION IN THE GEIDAM LOCAL GOVERNMENT OF YOBE STATE, NIGERIA	129
Olha Kuzmenko, Tatiana Dotsenko	FRONTIER ANALYSIS OF THE BANKS' FINANCIAL MONITORING EFFICIENCY CONCERNING ASSESSING THE RISKS OF MONEY LAUNDERING	134
Ponomarenko Ihor, MU Jianming	FUTURE LOGISTIC'S TECHNOLOGOIES IN CONTEXT OF INDUSTRY 4.0	138
Kateryna Zaiika, Oksana Zamora, Iryna D'yakonova	INTERNATIONAL ECONOMIC TRENDS DURING PANDEMICS: FROM PLAGUE TO CORONAVIRUS	145
Olexii Karpishchenko, Tetiana Illiashenko, Kostiantyn Illiashenko, Olexandr Tovstukha	DIGITIZATION OF THE HOUSING SERVICES AS A TOOL FOR ENSURING SUSTAINABLE DEVELOPMENT OF SETTLEMENTS	150
Tetyana Vasilyeva, Kuzmenko Olha, Kashcha M. Basanets Sofiia	ECONOMIC AND MATHEMATICAL MODELING REASONS FOR DIFFERENTIATED DEVELOPMENT OF PANDEMIC IN UKRAINE	154
Olena Boiko	TAXATION IN LIFE INSURANCE SYSTEM	158
Svitlana Ivanytska, Zatona Kateryna	PECULIARITIES OF THE ORGANIZATION OF PAYMENT AT THE ENTERPRISE	163
Oleksandr Zaitsev	INTERACTION OF FINANCIAL DEVELOPMENT AND REAL ECONOMY	167

Authors	Title	Page
Olha Kuzmenko, Tetyana Vasilyeva Yana Harbar, Aleksy Kwilinski Viktoriia Radko	OPTIMIZATION OF THE SYSTEM AND MECHANISM OF REGULATION OF FINANCIAL MONITORING OF INSURANCE COMPANIES	172
Serhii Mynenko, Vitaliia Koibichuk	THE BLOCKCHAIN TECHNOLOGIES IN PUBLIC ADMINISTRATION	176
Chortok Yuliia, Nechyporenko Roman, Yaskevich Anastasiya	SMART TRANSPORT AND LOGISTICS ENVIRONMENT	184
Iryna Marekha, Tetiana Makarenko	WORLD MODELS FOR ASSESING THE EFFECTIVENESS OF ENVIRONMENTAL TAXES	189
Serhii Lyeonov, Serhii Mynenko, Olha Kuzmenko, Oleksii Lyulyov, Kateryna Hrek	THE RISK OF MONEY LAUNDERING: OVERVIEW THROUGH THE OPERATIONS OF INSURANCE COMPANIES	193
Olena Bilotserkivska, Viktoriia Shcherbachenko	BRAIN DRAIN FROM UKRAINE: HOW TO SLOW DOWN AND BREAK THIS TENDENCY IN THE CONTEXT OF KNOWLEDGE ECONOMY	199
Olena Pavlenko, Ihor Maksymenko, Oleksii Shkulipa	INFLUENCE OF BUSINESS PROCESSES ON REGIONAL INFRASTRUCTURE	204
Olha Kuzmenko, Volodymyr Ovcharenko	METHODS REVIEW FOR ASSESSING THE INVESTMENT ATTRACTIVENESS OF INNOVATIVE BANK TECHNOLOGIES	209

Anastasiia Yurchenko, Viktoriia Shcherbachenko	ACTUAL PROBLEMS OF THE ECONOMY AND SOCIETY GREENING	214
Dymchenko Olena, Rudachenko Olha	STATE REGULATION OF SOCIO-ECONOMIC DEVELOPMENT OF REGIONS	219
Bozhenko Victoria, Petrova Ksenia	MODELING THE TRANSMISSION OF SYSTEMIC FINANCIAL RISK TO THE DEVELOPMENT OF THE ECONOMY'S REAL SECTOR	223
Vladyslav Shapoval, Mariia Troian	THE IMPACT OF GLOBALIZATION ON COMMUNICATION	227
Halyna Mishenina, Daria Pavlenko	AGILE METHODOLOGY OF THE PUBLIC ADMINISTRATION SYSTEM IN THE CONTEXT OF DIGITAL TRANSFORMATION OF UKRAINE	232
Ved Prakash	MEASUREMENT OF POVERTY AND SOCIO-ECONOMIC REQUIREMENTS OF BPL IN INDIA	237
Tetiana Kurbatova, Valeriia Vialkova	ANALYSIS OF INTERNATIONAL CONFLICTS: ANALYTICAL ELEMENTS AND TOOLS	243
Ahniia Havrylina	FEATURES OF NON-TRADITIONAL TYPES OF INVESTMENT	246
Pokhylko S., Eremenko A.	USING SOCIAL MEDIA PLATFORMS TO CREATE AND DEVELOP BUSINESS PROJECTS	249
Pavlo Hrytsenko, Yevhen Kovalenko, Vladyslav Popov	INNOVATIVE ACTIVITY AS A BASIS FOR SUSTAINABLE ECONOMIC GROWTH	254

Leonid Melnyk, Olena Matsenko, Vladyslav Piven	SOCIO-ECONOMIC ASPECTS OF GREEN ENERGY DEVELOPMENT: THE EXPERIENCE OF THE EU AND UKRAINE	264
Harchenko D.	ECONOMIC SECURITY AND THE FIGHT AGAINST CORRUPTION	273
Hanna Yarovenko, Olena Kolotilina	DEVELOPMENT OF METHODOLOGY FOR ASSESSING THE RISKS OF SOCIO-ECONOMIC AND POLITICAL GROWTH OF UKRAINE	285
Inessa Yarova	ENVIRONMENTAL ASPECTS OF INTERNATIONAL TRADE RELATIONS	289
Denys Smolennikov, Daria Pavlenko	STAKEHOLDER APPROACH TO PROJECT MANAGEMENT	293
Oleksandr Khadartsev	MODERN ENTREPRENEURSHIP ON THE PROJECT MANAGEMENT PRINCIPLES	297
Hanna Yarovenko, Victoria Kovach	GLOBAL TENDENCIES FOR THE IT USE IN MANAGEMENT INFORMATION SYSTEMS	300
Tatiana Shcherbyna	DIGITAL MARKETING AND INTERNATIONALIZATION OF UKRAINIAN BUSINESSES	304
Viktoriia Kubatko, Diana Bilous	THE FIGHT AGAINST CORRUPTION AS ONE OF THE TOOLS OF THE NATIONAL ECONOMY DE-SHADOWING	308
Nataliia Letunovska	CHALLENGES FOR THE HEALTH COMPONENTS OF A REGION IN THE CONTEXT OF GLOBALIZATION	312
Anna Rosokhata, Anna Chykalova	MARKETING ACTIVITIES FEATURES FOR DIFFERENT CLASSIFICATION TYPES OF BUSINESS STRUCTURES	317
Korobets Olena,	MANAGEMENT OF ENVIRONMENTAL	322

Yaroslav Reshetnyak, Yura Yula	RISKS AT THE COMPANY: THE MARKETING DETERMINANTS	
Yana Us, Tetyana Pimonenko, Oleksii Lyulyov, Yuriy Bilan, Yulia Shaforost	THE GREEN-FEMININE STEREOTYPES AS A BARRIER ON THE WAY OF GREEN BRAND DEVELOPMENT	327
Maryna Saienko, Tetyana Pimonenko, Oleksii Lyulyov, Yuriy Bilan, Svetlana Kostornova	NEW TRENDS IN MARKETING FOR SMALL AND MEDIUM ENTERPRISES	333
Ziabina Yevheniia, Tetyana Pimonenko, Oleksii Lyulyov	EFFICIENCY OF UKRAINIAN ENERGY POLICY IN THE FRAMEWORK OF CIRCULAR AND CARBON-FREE ECONOMY	337
Yurii Bilan, Yana Us, Volodimir Nesterenko, Huseynadze K.R.	PROSPECTS OF TOURISM DEVELOPMENT	342
Olena Ivakhnenko	EFFICIENT AGRO-LAND USE IN THE CONDITIONS OF GLOBAL CLIMATE CHANGE	348
Artem Artyukhov	QUALITY OF EDUCATION AND SDGS: SOCIO-ECONOMIC ASPECT	351
Nadiia Artyukhova	KNOWLEDGE MARKETING AS A TOOL FOR SOCIO-ECONOMIC GROWTH: THEORETICAL AND APPLIED BASE	355
Khomenko L.M.	SOME ELEMENTS OF MARKETING ACTIVITIES IN BLOOD SERVICE COMPANIES: CONTENT STRATEGY OF THE SITE	360

Shkarupa O.V., Mayboroda T.M., Kalchenko Y.	SCALING ECO-INNOVATIONS BASED ON SOCIO-ECONOMIC EFFECTS IN THE "ENTERPRISE-REGION-STATE" SYSTEM	365
Oleh Dudchenko	SOCIAL AND ECOLOGICAL RESPONSIBILITY AS A SYSTEMIC ELEMENT FOR AGRICULTURAL SUSTAINABILITY	371
Yevhen Mishenin	ORGANIZATIONAL AND ECONOMIC MECHANISMS FOR ENVIRONMENTALLY SAFE AGRICULTURAL LAND USE	380
Yuriy Derev'yanko, Olha Lukash	EVALUATION ON THE BASIS OF MODERN INDICATORS	389
Vita Hordiienko, Tetiana Semenenko, Violeta Tretynyk	INTEREST RATE AND ECONOMIC GROWTH IN UKRAINE	398
Oleksii Zakharkin, Volodymyr Novikov, Dmytro Yemelianov	COMPARATIVE ANALYSIS OF THE CONCEPTS OF VALUE ORIENTED ENTERPRISE MANAGEMENT	402
Liudmyla Zakharkina, Yevhenii Okhrimchuk	INTERNET OF THINKS IN LOGISTICS	407
Oleksii Zakharkin, Liudmyla Zakharkina	THE USE OF INDICATORS OF FINANCIAL CONDITION TO DETERMINE THE ENTERPRISE`S INVESTMENT ATTRACTIVENESS	411
Ivan Shkarupa	FACTORS AND INSTRUMENTS OF MANAGING THE EFFICIENCY OF ENTREPRENEURIAL ACTIVITY IN MODERN TRANSFORMING CONDITIONS	417

Inna Tiutiunyk, Andrii Zolkover, Sergij Lyeonov, Aleksy Kwilinski, Alina Vysochyna, Kostronova Svetlana	THE INNOVATIVE FINANCIAL TECHNOLOGIES AND ITS IMPACT ON SHADOW TRANSACTIONS	422
Larysa Hrytsenko, Oleksandra Tverezovska	EVALUATION OF PUBLIC-PRIVATE PARTNERSHIP PROJECTS` RISKS	426
Hanna Shvindina	COOPETITION MODEL OF INTERACTIONS FOR INSTITUTIONS IN A SPHERE OF EDUCATION	430
Yuliia Humenna, Semen Tymoshenko	MERITS AND CHALLENGES OF DIGITAL ECONOMY IN DEVELOPING COUNTRIES	436
Yuliia Shkodkina, Yuliia Humenna, Oleksandra Tverezovska	OBSTACLES TO START-UP IMPLEMENTATION IN THE MODERN CONDITIONS OF ECONOMIC DEVELOPMENT	440
Ihor Kobushko Iana Kobushko	CREATING MOTIVATION FOR EMPLOYEES THROUGH KPIS SYSTEM	445
Nataliia Kotenko	THE IMPACT OF INTERGOVERNMENTAL FISCAL POLICY ON LOCAL SUSTAINABLE DEVELOPMENT	451
Nataliia Antoniuk, Iryna Plikus, Alona Myronova	INDICATORS OF FINANCIAL SYSTEM SECURITY	456
Iryna Plikus, Nataliia Antoniuk	THE INFLUENCE OF DIGITALIZATION ON TRANSFORMATION PROCESSES ON THE LABOR MARKET	460

Oleksandr Zaitsev, Dmitro Nikitin	THE MECHANISM OF FINANCIAL RECOVERY OF THE ENTERPRISE SHOULD INCLUDE THE CASH AMOUNT OF THE LOAN AS PRODUCTION COSTS	466
Svitlana Kolosok, Iuliia Myroshnychenko, Yuliia Matvieieva, Denis Hryhorenko	INVESTMENT MANAGEMENT FOR SMART GRID PROJECTS: A CROSS-COUNTRY ASSESSMENT	470
Opanasiuk Yuliia, Taraniuk Karina, Maryn Matvii	TRANSITION TO GREEN ECONOMY: BASIC PRINCIPLES AND PROBLEMS	475
Viktoriia Shkola	ADVANCED DEVELOPMENT AND INTELLECTUAL CAPITAL: AN INFLUENTIAL ASSESSMENT	482
Semenog A. Mykhalova A.	THEORETICAL ESSENCE OF TRUST IN FINANCIAL SERVICES	488
Veronika Barvinok, Anna Vorontsova, Julia Sergienko	INTERNATIONAL MIGRATION AND THE COVID-19 PANDEMIC: LITERATURE REVIEW	494
Kateryna Hrek, Iryna Didenko	STUDY OF POSSIBILITIES OF THE BPW PACKAGE. DIFFERENCE ON CREATION OF DFD DIAGRAMS AND IDF0 DIAGRAMS: DESCRIBE THE PROCESS OF LOGISTICS AT THE ENTERPRISE	497
Burnakova Valeriia	SUSTAINABLE DEVELOPMENT STRATEGY FOR TOBACCO INDUSTRY	502
Olena Shkarupa, Anastasija Turchyn, Kateryna Vlasenko	FORMATION OF A POSITIVE IMAGE OF WOMEN LEADERS IN PUBLIC ADMINISTRATION	506

THEORETICAL ESSENCE OF TRUST IN FINANCIAL SERVICES

Semenog A.
PhD in economics, Assistant Prof.
Department of Finance, Banking, and Insurance
Sumy State University, Ukraine
Mykhalova A.
Master student,
Department of Finance, Banking, and Insurance
Sumy State University, Ukraine

Trust in financial institutions is one of the most valuable assets, the presence of which is a guarantee of financial stability and economic development in the country. Modern notions of trust are the result of scientific research by thinkers of the past who have studied this concept in the framework of philosophy, ethics, theology, political science, psychology, and sociology. In the twentieth century, with the development of behavioural theories, the phenomenon of trust has become the subject of research and economists who try to determine its impact on the irrational behaviour of economic agents.

The generalization of economic, social, and psychological research allows us to identify three levels of trust: interpersonal; institutional; systemic.

There is a constant close relationship between these levels. It is a characteristic of the financial services market functioning, which involves the interaction of various economic agents at the personal, organizational (institutional) and systemic levels. The analysis of the literature showed that most international studies of interpersonal trust focus on the psychological aspects of this category [2, 18]. It is considered as 1) part of human nature, which reflects the relationship to the world and people in it [19]; 2) part of the human relationship, which determines the psychological state of a person concerning another in the process of communication [10]; 3) a component that contains a set of expectations and beliefs of partners [12]. Interpersonal trust is an essential factor in increasing productivity, and a factor influencing the economy and people's lives. Interpersonal trust is part of social capital: it determines the efficiency of social institutions [13], economic growth and financial development by reducing transaction costs [8, 9]. In the financial sector, the level of trust is crucial.

At the level of individuals, the main factors determining trust behaviour are the presence of formal institutions that affect the likelihood of the performance of contracts (the rule of law, corruption, bureaucracy, etc.). Also significant are social and economic heterogeneity, wealth, and income levels. Despite the great importance of cultural, historical, ethnic, religious, ideological norms on the level of interpersonal trust, the most important role is still played by economic conditions –

the level of wealth and uniform distribution of income in society [4, 11].

In general, among all methods of measuring interpersonal trust in society, there are two major groups: experimental methods; sociological surveys.

The generalization of scientific works gives grounds to consider equivalent these approaches and the practicality of using the indicator of generalized trust as an indicator of interpersonal trust in society. At the same time, there is the concept of particularized trust in different social groups: family, neighbours, acquaintances and strangers, people of other religions and nationalities.

At the macro level, interpersonal trust forms a system trust, where the object is a specific economic system: national or international banking system, payment system, interbank market, stock market [17], and the subject – compliance with consumer expectations of this system. In the context of the financial services market, the leading indicator that reflects the level of trust is the availability and affordability of quality and cost-effective financial services, which is the goal of money market regulators in the country. In this context, a unique role is assigned to financial intermediaries, which ensures the confidence of economic agents in performing their functions. For example, international accounting and auditing standards that guarantee information transparency in the operation of financial intermediaries; regulation and supervision of the financial sector, aimed at ensuring the financial stability of individual institutions and the system as a whole; credit and rating agencies that assess the efficiency and prospects of the business. That is why the reform of supervision of financial intermediaries is one of the most common areas of restoring systemic confidence in the country during the crisis [7].

The need for institutional trust is the result of the ineffectiveness of interpersonal trust in the financial services market in conditions of information asymmetry and the presence of moral hazards. It justifies the need to create specialized "expert" institutions that ensure market transparency and availability of information about its central counterparties. Institutional trust is based on the compliance of expectations and expectations of consumers of services and products during the execution of contracts.

The key determinants of institutional trust are:

1) Competence – the implementation of the institute's basic functions and responsibilities, which is manifested in marketing, finance, management.

2) Transparency – information transparency and openness to all stakeholders, including information not only about the activities but also about the products and services of the institute.

3) Integrity – ethical relations with stakeholders, shared values and views. Manifested by the level of social responsibility of the institute.

Analysis of scientific sources revealed that the confidence of consumers of financial services to a particular financial institution is a complex concept that covers such components as:

– Brand image – the total amount of consumer perception of the bank, which is formed from various information sources. Brand strength is often an essential element of consumer loyalty to a particular financial institution, allows for individual informal, friendly customer relationships with the institution. The presence of certain shortcomings in the relationship with customers is not reflected in their attachment to the organization.

– Persuasion to trust. Based on social psychology and economics, trust beliefs are a construct of interpersonal trust, which means the ability to trust other people or organizations in different situations that they will work to satisfy the interests of the principal. It is a belief in the reliability, honesty and competence of the financial institution, the integrity and consistency of its work, care and friendliness to customers, openness and communication.

– Dispositional trust. It means the intentions and ability of people to trust each other, the willingness to depend on other people's situations and actions. It is measured by faith in humanity and the trusting position of the consumer.

– Institutional trust. An element of trust that is part of sociology that refers to trust in a situation or structure. The existence of appropriate structures, effective regulations, norms, sanctions and a stable economic situation play an essential role in providing guarantees, which has a positive effect on the belief in trusting financial institutions.

– Intention to trust. An element of trust that is part of social psychology and economics and means interpersonal willingness to trust depending on the specific actions of others.

In our opinion, in the context of active development of modern technologies, the above list should be expanded with an additional component that would take into account the level of manufacturability of the financial institution.

It should be noted that for the development of the financial system, it is essential not so much to have confidence in financial institutions, as the dynamics of growth of its level. The investment potential of a business, its transaction costs and economic risks significantly depend on it. A significant development is ensured by mutual trust, which is realized in the system of relations between financial institutions and consumers of financial services, between financial intermediaries of the same and different types, between financial institutions and state regulators. According to research by C. Calderon, A. Chong [3] and A. Galindo, based on World Bank data on the efficiency of national financial markets, the level of confidence is a determining factor in the country's financial development and stability of its financial system.

Consumer confidence in the purchase of financial services depends on: the presence of risk and uncertainty of results; the relationship between the subjects of interaction; the degree of vulnerability of the subjects of interaction; expectations of the future behaviour of the other party [6]. Among the main factors influencing the

formation of trust in financial institutions R. Hurley [10] determines: the presence of shared values and interests, the identity of the client with the financial institution; benevolent intentions of the financial intermediary; ability to implement the service; predictability; open and transparent communication with the client. The truthfulness and interest of the financial institution in the welfare of the client are the main factors for establishing a relationship of trust [5]. Consumer confidence in the financial sector is generally based on consumer experience. It depends on the ability of financial institutions to prove themselves as reliable partners who can meet their obligations, work well, and serve the interests of consumers. Experienced clients-users of financial services, as a rule, have a higher level of trust in the financial institution and the financial system as a whole. Long-term and positive relationships with financial institutions contribute to the formation of consumer loyalty, which contributes to the willingness of customers to use additional services of a financial intermediary.

Despite the close public and academic attention to the issue of trust, the literature related to the determinants of trust is scarce and contradictory, especially in the field of personal characteristics of consumers of financial services (age, gender, level of education, place of residence, social status), which can affect trust. M. Malkina and A. Ivanova emphasize that personal characteristics are the main determinants of trust in banks and influence consumer choice [14]. R. Mosch and H. Prast, however, argue that people's trust is not influenced by objective factors of age and gender, while the level of education and specialization have a significant impact [15]. Another approach is used by S. Mudd, K. Pashev, and N. Valev, who relate people's previous crisis experiences to their expectations of future losses. The authors proved the importance of this relationship. They found that individuals who have suffered financial losses in the past are most likely to withdraw their funds from banks and other financial institutions in times of crisis [16].

Also, interesting is a study by T. Beck and M. Brown [1], which covered 28 developing economies. Researchers associate the use of banking services not only with the characteristics of individuals, but also with the ownership structure of banks, the quality of regulatory institutions, and so on. It is concluded that socio-demographic characteristics of households, such as income, level of education and even religion, are important factors in consumer choice of a banking service provider, such as accounts, credit cards, etc.

In general, trust in financial institutions is related to each person's attitude to the potential risk. From the point of view of retail consumers, the process of "buying" financial services is complicated by the variety and complexity of available financial products, and the development of variants of the same product with slightly different functions only adds to their complexity. It is worth noting that today financial and technological innovations, including mobile and online versions of financial services, significantly change the priorities of consumers, raising the issue

of customer confidence in financial institutions to a new level.

References

1. Beck, T., Brown, M. (2010). Which households use banks? Evidence from the transition economies. *Working paper.* URL: https://www.ecb.europa.eu/pub/pdf/scpwps/ecbwp1295.pdf?60f8b90e80572736e58ab68a93c83b7d.
2. Borum, R. (2010). *The science of interpersonal trust*. The MITRE Corporation. McLean, VA.
3. Calderón, C. A., Chong, A., Galindo, A. J. (2002). Development and Efficiency of the Financial Sector. *Economic Development and Cultural Change,* 51(1), 189–204.
4. Delhey, J., Newton, K. (2005). Predicting cross-national levels of social trust: global pattern of Nordic exceptionalism? *European Sociological Review,* 21(4), 311– 327.
5. Doney, P. M., Cannon, J. P. (1997). An examination of the nature of trust in buyer-seller relationships. *Journal of Marketing,* 58, 1–19.
6. Ennew, Ch., Sekhon, H. (2007). Measuring trust in financial services: the Trust Index. *Consumer Policy Review*, 17(2), P. 62–68.
7. Guiso, L., Sapienza, P., Zingales, L. (2008). Trusting the Stock Market. *The Journal of Finance,* 63, 2557–2600.
8. Hansen, T. (2014). The role of trust in financial customer-seller relationships before and after the financial crisis. *Journal of Consumer Behaviour*, 13(6), 442–452. https://doi.org/10.1002/cb.1493.
9. Hansen, T. (2016). The moderating effects of financial broad-scope trust on consumer knowledge, cognitive effort, and financial healthiness. *Journal of Consumer Behaviour*, Vol. 16, Issue 2, 161–175. https://doi.org/10.1002/cb.1621.
10. Hurley, R. F. (2012). A systems approach to restoring trust in the financial markets. *EIASM (European Insititute for Advanced Studies in Management), 5th Workshop on Trust within and between Organizations*. Madrid, May 28-29.
11. Knack, S., Keefer, P. (1997). Does Social Capital Have an Economic Payoff? A Cross-Country Investigation. *Quarterly Journal of Economics*, 112 (4), 1251–1288.
12. La Porta, R., Lopez-de-Silanes, F., Shleifer, A., Vishny, R. (1997). Legal determinants of external finance. *Journal of Finance*, 52, 1131–1150.
13. Llewellyn, D. T. (2005). Trust and confidence in financial services: a strategic challenge. *Journal of Financial Regulation and Compliance*, 13(4), 333–346, https://doi.org/10.1108/EUM0000000007304.

14. Malkina, M., Ivanova, A. (2007). Consumer Choice in Bank Deposits market in the Modern Russian Conditions. *Bulletin of Nizhniy Novgorod Lobachevskiy University*, 2, 223–226.
15. Mosch, R., Prast, H. (2008). Banking crises and Investor Confidence: An Empirical Investigation. *Occasional Studies*, 6. Accessed from: https://www.econstor.eu/bitstream/10419/37384/1/VfS_2010_pid_482.pdf.
16. Mudd, S., Pashev, K., Valev, N. (2010). The Effect of Loss Experiences in a Banking Crisis on Future Expectations and Behavior. *The B.E. Journal of Macroeconomics*, 10 (1), 1–19. https://doi.org/0.2202/1935-1690.2027.
17. Pauline, W. J. van Esterik-Plasmeijer, Fred, van Raaij W. (2017). Banking system trust, bank trust, and bank loyalty. *International Journal of Bank Marketing*, 35(1). http://dx.doi.org/10.1108/IJBM-12-2015-0195.
18. Roy, S. K., Devlin, J. F., Sekhon, H. (2015). The impact of fairness on trustworthiness and trust in banking. *Journal of Marketing Management,* 31(9-10), 996–1017. https://doi.org/10.1080/0267257X.2015.1036101.
19. Simpson, J. A. (2007). *Foundations of interpersonal trust*. New York: Guilford.

Наукове видання

СОЦІАЛЬНО-ЕКОНОМІЧНІ ВИКЛИКИ

Матеріали
Міжнародної науково-практичної конференції

(Суми, 3–4 листопада 2020 року)

Стиль та орфографія авторів збережені.
Організаційний комітет і редакційна колегія можуть не поділяти точки зору авторів.
Автори відповідають за точність, достовірність і зміст матеріалів.
Посилання на матеріали конференції обов’язкові.

Відповідальний за випуск Т. А. Васильєва
Комп’ютерне верстання С. В. Миненко

Формат 60×84/16. Ум. друк. арк. 29,86. Обл.-вид. арк. 38,58.

Видавець і виготовлювач
Сумський державний університет,
вул. Римського-Корсакова, 2, м. Суми, 40007
Свідоцтво суб’єкта видавничої справи ДК № 3062 від 17.12.2007.