

Research on the Transformation Strategies of Commercial Banks under the Background of Financial Science and Technology

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Abstract: In the long run, with the expanding scale of financial market, Internet finance has attracted more and more people's attention. Taking its various advantages into consideration, it is bound to replace commercial banks in the future financial development. Therefore, under the background of the continuous development of social economy, the business management mode of commercial banks has gradually begun to change. That is to say, commercial banks of our country have begun to implement the transformation plan in order to enhance their competitiveness in the financial field.

1. Definition of Financial Science and Technology

Financial science and technology can be seen as the combination of words of "finance" and "science and technology", but it is not just a simple combination. It refers to the use of a series of scientific and technological means to reform and innovate the products and services provided by the traditional financial industry, so as to improve efficiency and effectively reduce operating costs. The term "financial science and technology" originates from foreign countries, while "Internet finance" is our unique financial system, both of which are closely related. Internet finance can be regarded as a specific concept in the specific stage of scientificization of financial business. With the rapid development of social economy in China, more and more science and technologies have been integrated into financial system, such as intelligent robot, VR, bio-verification technology, etc. The word of Internet finance has become insufficiently meaningful while the generality of financial science and technology is more extensive, tending to replace the word of Internet finance. The latter is more inclined to science and technology, while the former is more about a business model. In the view of some financial science and technology enterprises, "financial science and technology" mainly makes use of big data, block chains and other Internet innovation technology for risk control and platform management.

2. Advantages and Disadvantages of Financial Science and Technology

2.1 Advantages of Financial Science and Technology

2.1.1 Large scale of network users

With the continuous development of modern science and technology in our country, people's living standards have been significantly improved. The range of people who surf the Internet in our country is also gradually expanding, and the number of netizens is increasing year by year. Because of the government's modernization construction of cities, the rapid development of social economy in China has been promoted, various intelligent devices are emerging, and wireless networks have been widely used, which make it easier and faster for people to access the Internet, and greatly accelerate the growth rate of the number of Internet users in China. These network users have become an important dependence to promote the rapid development of financial science and technology.

2.1.2 Fast operation

Financial science and technology has the characteristics of convenient and fast operation process, so it is accepted and loved by the public. Compared with the complex workflow of banks, it can greatly reduce the operation cycle, speed up the approval process in various links, and improve the efficiency of work processing. For example, when loan transactions are conducted, it needs to go through many links, such as application, investigation, risk rating, approval, contract signing, pledge, loan and so on. All of these take a long time to operate. However, a series of problems caused by the cumbersome process can be solved through financial science and technology.

2.2 Disadvantage of Financial Science and Technology

2.2.1 Lack of risk management capability

At present, the overall capital and management strength of Internet financial enterprises in China is relatively weak compared with developed countries, and the financial market is controlled by some well-developed enterprises. The lack of account management and risk identification ability of financial enterprises has seriously affected their development in the next few years. In addition, financial science and technology is often used by small enterprises to provide financial services, collect all kinds of information, and then provide it to investors. Because of the large amount of information, it is usually difficult for investors to judge the borrowers based on the provided information, which has greatly increased the investment risk. Although financial science and technology possesses a large amount of data and information, and great advantages in terms of data, the imperfect supervision system in the financial field at the present stage in our country often leads to irregularities of some financial enterprises and infringes on the legitimate rights and interests of common traders.

2.2.2 Imperfect supervision system

At present, China's regulatory system related to financial science and technology is not perfect. With the continuous progress of the times, although the regulatory system is constantly being revised, most contents are still inherited from the traditional regulatory system. Under this background, there are many problems and drawbacks during the development of financial science and technology, which lead to a great decline in the development speed of financial industry. In order to promote the smooth development of various industries in the financial field and reduce various financial risks, China should strengthen the supervision of financial institutions by relevant administrative departments, carry out strict management, and revise and improve the supervision system according to the actual financial problems.

2.2.3 Insufficient credit of enterprises

Compared with the credit of traditional commercial banks, that of financial science and technology is still low. When many financial companies recommend products to consumers, they often neglect the risks of products but just introduce the advantages of products, which results in high expectations of consumers. Many financial platforms do not carry out bank custody after financing, causing the absconding of many company leaders with money. The emergence of such problems clearly reflects the current problems of financial science and technology. The lack of credibility of financial enterprises has seriously affected the future development of enterprises in the financial field.

3. Advantages and Disadvantages of Commercial Banks

3.1 Advantages of Commercial Banks

3.1.1 Large-scale funds with credit guarantee

With the development of the times and the improvement of science and technology, Internet technology has been integrated into our daily life. Under this background, financial science and

technology has developed rapidly. Compared with financial science and technology enterprises, traditional businesses have relatively large assets and are subject to legal constraints, so they have more credit guarantee. The status of financial science and technology enterprises is far more inferior than that of commercial banks in various fields of society.

3.1.2 Rich customer resources

After years of development and transformation, commercial banks have accumulated a large number of customer resources, including a large number of individual users and corporate customers. Commercial banks have the advantage of strict confidentiality of information, which makes many customers' information protected and maintains a good communication and contact with customers. The good or bad relationship between commercial banks and customers directly affects customers' trust in banks. Good relationship is conducive to the smooth progress of banks' work, and then provides more professional and intimate services to customers.

3.1.3 complete facilities and abundant resources

Compared with network payment platform with higher level of financial science and technology, commercial banks have better infrastructure construction, which is an important basis for the comprehensive development of banks. In recent years, under the background of the continuous development of social economy in China, the infrastructure and layout of commercial banks are approaching comprehensive development. With the support of various intelligent modern technologies, commercial banks have improved service efficiency on the original basis and brought new service experience to customers.

3.1.4 Strict regulation

Banks play an irreplaceable important role in the process of social and economic development in China, which belongs to an important industry in the financial field. Because banks cover a wide range of fields, China's supervision of them is also more stringent and standardized. Relevant regulatory authorities pay more attention to the risk supervision mechanism. Through the management and supervision of government regulatory authorities in all aspects of bank transactions, all kinds of bank transactions become safer, keeping all kinds of bank businesses to proceed normally as scheduled.

3.2 Disadvantage of Commercial Banks

3.2.1 Complex and tedious process

Compared with the work flow of financial science and technology enterprises, the traditional banks' workflow is more complex and cumbersome, making customers' trading experience to a large extent be adversely affected. Processing various business links of banks is complicated and time consuming, resulting in low efficiency. While the workflow of loan business on some existing online lending platforms is relatively simple and easy to handle. Borrowers are able to solve loan problems in a short time. In this regard, traditional banks are far inferior to the third-party platforms related to financial science and technology.

3.2.2 Lack of innovation

At present, commercial banks in China still adopt the traditional management methods, thus lacking innovation consciousness compared with financial science and technology. Financial science and technology integrate modern Internet technology and computer technology. While commercial banks are in a self-proclaimed state and have been stagnating. Therefore, they lack innovative consciousness as well as comprehensive and accurate understanding of new things, which is the main reason why they can not keep pace with the times.

4. Impact of Financial Science and Technology on Commercial Banks

4.1 Business of Commercial Banks has been Greatly Impacted

With the rapid development of financial science and technology in China, the deposits, loans and intermediary business of commercial banks have decreased significantly. The impact on deposit business is relatively serious and the total deposits of many banks are decreasing year by year, which directly affect the loan business and reduce the interest income of commercial banks. At present, there are not many kinds of financial science and technology loans, so the impact is relatively small. For the intermediary business of commercial banks, the types of business mainly include collection and payment, while financial companies have a large number of payment platforms, which have played a restraining role in the development of intermediary business of commercial banks.

4.2 Business Mode of Commercial Banks has been Stricken

The management and approval system of commercial banks in loan business is very strict. Many small and medium-sized enterprises encounter some operational difficulties in financing through commercial banks. The emergence of Internet finance provides a new way for these small and medium-sized enterprises to finance, such as Alibaba's Alibaba Credit, which provides loan services for some small and medium-sized enterprises.

5. Transformation Advantages of Commercial Banks

5.1 Stable Customer Resources

In the long process of development, commercial banks have accumulated a large number of stable customer resources. These enterprise customers have strong strength. Most of them have economic contacts with commercial banks for many years, with relatively stable capital flow chain, so they can not do all kinds of business without banks. For some financial science and technology enterprises, their development time is relatively short without accumulation of original customer resources. Most are small and medium-sized enterprises, so their capital chain is not stable. Commercial banks owe more stable customer resources than online financial enterprises, which, at the same time, are facing the risk of customer churn at any time.

5.2 Improved Risk Management System.

Risk management is a crucial link in the operation of commercial banks, requiring to standardize the management of customer information data of commercial banks. Internet finance can manage customers' information and data by means of advanced modern technology, which has a high efficiency of audit and evaluation.

5.3 More Perfect Supervision System

As the largest financial institution in China, commercial banks have huge financial businesses, and their regulatory system is relatively perfect. Therefore, they are able to ensure the safe operation of various businesses.

6. Transformation of Commercial Banks under the Background of Financial Science and Technology

6.1 Build Smart Banks

The rapid development of financial science and technology has played a role in promoting the transformation of commercial banks. The first step in the transformation of commercial banks is to build smart banks. At this stage, the major banks in our country are beginning to transform to smart banks. This kind of intelligent service created by artificial intelligence and Internet technology enables customers to enjoy various banking business online, which is the convenience provided by

financial science and technology. In recent years, the number of mobile phone downloads of mobile banking in China has increased greatly, which shows that more and more people are enjoying the convenient services brought by smart banks.

6.2 Change the Profit Mode

With the rapid development of science and technology, many Internet financial enterprises have emerged in China. Under such oppressive environment, commercial banks should change their profit mode and actively develop traditional deposits and loan business into online intermediary business. In order to promote the development of intermediary business, it is necessary to expand the policy and system. At the same time, it is also essential to improve and optimize the structure of intermediary business and develop more intermediary business.

6.3 Cooperate with Internet Finance Enterprises

Although there are some conflicts in business development between commercial banks and science and financial enterprises, they can also combine each other's advantages, which on the one hand, stabilizes customer resources, on the other hand, improves the management system. In this way, they will achieve a win-win cooperation and give full play to their advantages to promote the rapid progress and development of financial markets.

7. Conclusion

In short, in the new era, if commercial banks want to remain invincible in the competition in the financial field, they must constantly adjust and innovate business thinking to meet the challenges of Internet finance.

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