Research on the Mechanism of Fintech to Promote the Financial Industry Development in the Era of the Digital Economy

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Abstract: The development financial and technology industries must grasp the opportunity of the development of the digital economy; it is necessary to increase its efforts to promote the digital transformation of finance continuously. The article mainly starts with the nature and development of fintech in the digital economy; the system analyzes the research of the mechanism of the development of fintech to promote the development of the financial industry in the era of the digital economy, and puts forward the key points that should be paid attention to in the digital transformation of the digital economy era, hoped that it can provide a beneficial reference for the development of the financial industry.

1. Introduction

At present, the world economy is welcoming a new round of technological changes and production transformation; new technologies and new methods are constantly emerging, the tide of digital, network, and intelligence is rising, and the data economy and sharing economy are also growing rapidly worldwide, new technology has also become one of the main aspects of the economy and has become a hot spot for global financial innovation. In the practice of new economic development, new economic methods have continued to emerge, financial services require more attention to intelligence and convenience, and the supply of financial services pays more attention to compliance and structural improvement [1]. Fintech has been an important part of my country's financial security system, as an important guarantee for implementing innovation-driven strategies and building a modern economic system.

2. The Nature and Development Direction of Fintech in the Digital Economy Era

Fintech is essentially a technical field of managing finance; in the financial market, the price, investment portfolio technology, derivative products, risk measurement, asset allocation, investment limit control, and other fields are widely used, which can reduce costs and improve efficiency. We know that if the operating model of traditional financial institutions can greatly improve the financing efficiency of people and enterprises, if traditional finance can bring the financial market into a new period of high-speed development, there will be no room for financial technology development [2]. Unfortunately, the operating efficiency of the existing traditional financial institutions is not very high, especially in developing countries. Although developing countries have not yet established a relatively complete credit reporting system, however, it is undeniable that people who survive in developing countries have great capital needs, and small, and micro enterprises in developing countries also have great development needs if the traditional financial market and financing structure cannot meet these huge capital demand groups, they will look on other financing channels. This reality has greatly promoted the combination of Internet technology, and the financial field, the application of P2P technology in the financial industry is a typical example. Similarly, without a relatively loose regulatory environment for financial regulatory agencies, the development of fintech is also difficult. In Wikipedia's interpretation of fintech, financial technology is directly interpreted as startups with financial innovation capabilities. Start-up enterprises have great risks and uncertainty

in the application of Internet technology in the financial field; if the financial regulatory agency has increased the restrictions on such startups, it is impossible to have so many Internet finance companies developing and growing, and it is even more unlikely to trigger the later wave of Internet finance, Wikipedia is also impossible to define fintech with startups [3].

3. Research on the Mechanism of Fintech to Promote the Financial Industry Development in the Era of the Digital Economy

3.1 Get the Payment Settlement Format for Innovation

First, the industry's main body is becoming increasingly diverse. As industry participation subjects are more diversified, the industry network's scale has become more obvious. Second, the channels for consumer services are becoming more and more diverse. The payment method has been expanded from single cash, paper invoice, and other payment methods to online banking, QR code payment, mobile payment, etc., and the ecosystem of paying the liquidation industry was -constructed. The third is to promote the integration of payment and business services to promote the expansion of information, intelligence, and personalization in the field of services and corporate services. The fourth is to promote accelerated integration with other financial services. Consumer credit, investment wealth management, medical insurance, and other services through payment developed rapidly, and payment and other services integration will be more obvious.

3.2 Make Information Acquisition and Transmission Efficiency Significantly Improved

The integration of the digital economy and the modern commercial banking system mainly involves the following three major areas: First, achieve massive information collection. Customer data of commercial banks mainly include identity, credit level, and property status; big data technology collects, summarizes, and processes these data and provides a decision-making basis for commercial banks [4].

Second, improve the operational capacity of commercial banks. Commercial banks query relevant customer information and can use big data systems; while the accuracy of information queries is improved, it also improves bank efficiency. At the same time, in the daily operation of commercial banks, a large amount of data will be generated; big data technology can analyze historical information and master the laws of industrial development, forecast the industrial operation direction of commercial banks, improve existing internal operation problems and reduce future operating risks.

Third, promote the accuracy of commercial bank services. Big data itself has efficient and fast data processing advantages; different customers have certain differences in terms of property status and risk preferences; for this difference, big data can quickly analyze customer information and match the bank's own products and services to achieve the optimal service for customers, this will drive the improvement of the overall service level.

3.3 Provide Promotion for the Transformation of Financial Architecture

First, fintech can promote bank transformation and improvement. Now, digital transformation has become the entire financial industry, especially the business direction the traditional banking industry values and promotes together [5]. It provides a subversive revolution for the traditional banking industry, expands the working scope of the financial industry, improves the quality of the financial industry, and expands the growth space of the financial industry, and it is a major strategic choice for modern finance.

Second, New Fintech will help promote the development of inclusive finance. With the use of emerging technologies such as big data mining, large Chinese commercial banks have also discovered how to solve the golden keys in domestic financing difficulties and expensive financing in China. Adopting information modeling and biological characteristics recognition technology and using third-party data construction models such as customs, industry and commerce, taxation, etc., greatly improved efficiency. The service covers more Internet financial institutions, turning inclusive finance into reality.

3.4 Improve the Level of Risk Management Comprehensively

The digital transformation of the entity operation and financial services of financial services has continued to accelerate. Intelligent risk control is mainly used in fragmented information generated in scenario finance to conduct user risk evaluation and add many risk factors and variables; therefore, we can portray customer risk view in more aspects; it helps to improve the effectiveness of risk pricing, breach of contract estimation, etc., and clarify the interrelationship between data. Blockchain technology is the most important technology in distributed accounts; its nature is a database management technology without core guidance, and all data information is arranged in a block by time. Blockchain technology can reduce data acquisition costs; data acquisition and storage security speed reduce information risk.

At first, the application of the financial market for blockchain technology is mainly digital currency; for example, the emergence of blockchain is accompanied by the rise of Bitcoin. In addition, in other scenarios of commercial banks, with the improvement of technical maturity, the integration of blockchain technology and finance is getting closer and closer: First, in the field of bills and supply chain financing, the characteristics of the efficient and high safety of the blockchain, it can reduce human intervention in financing and reduce risks in the process of financing.

Second, the application in the field of credit reporting can meet the timeliness of information sharing, continue to optimize the data processing mechanism on this basis, it can improve the recognition of credit information, monitor and record the emergence of abnormal information in real-time, improve the ability to monitor and identify risks of commercial banks, reducing the loss of commercial banks will help enhance the management capabilities of commercial banks.

3.5 Create a Better Environment for Economic Development

The development of fintech is based on the maturity of Internet technology and the development of electronic communication technology, and this development directly derives various specific advanced technologies. Big data, artificial intelligence, cloud computing, and blockchain these technologies have made great contributions to the development of the entire fintech field. In addition to the support of the national regulatory level and the support of theory and practice technology, capital crocodiles in various countries also use real gold and silver to achieve support for fintech companies. Traditional financial institutions such as Morgan Chase, Morgan Stanley, Goldman Sachs, and Solomon Meibang have invested in financial technology companies through capital injection and financial technology reform within traditional financial institutions, thereby achieving the efficiency of institutions faster and better. In addition, rating agencies and asset evaluation agencies often care about fintech companies. At the end of 2016, the Wall Street Journal commented that the rating agencies often have a ratio of rating indicators of fintech companies compared to the overall rating of emerging technology and traditional enterprises in the same age; the valuation is nearly doubled. These good environments have achieved support for fintech companies to a certain extent. Through this support, Internet financial companies can receive more attention from elite talents and attract the joining of related scientific and technological talents. It is in the market with a lot of traditional finance that cannot be touched or is inefficient in the market that it has created a good financial market environment for the development of fintech companies.

4. The Key Points that should Pay attention to the Financial Industry Digital Transformation in the Digital Economy Era

4.1 Clarify the Core and Focus of Transformation

Combined with the research and judgment of the current digital transformation situation of financial institutions and the interpretation of regulatory policies, Yang Tao summarized the seven major points that need to pay attention in the digital transformation of financial institutions:

First, optimize the strategic layout. Digital transformation requires strategy; first, the route is the "outline," and the outline is increasingly reflected in the successful practice of many institutions. Second, innovate organizational structure. On the basis of digital transformation strategies, there is a

new organizational structure to carry out strategic landing. Third, consolidate the data foundation. As the most important production factor, data, in the process of change, it is necessary to manage internal and external data, dig data value effectively, and meet all requirements for data compliance. Fourth, improve technical capabilities. For big banks, you can invest more resources; for small and medium-sized financial institutions, more need to improve their technological innovation capabilities in effective external cooperation indirectly [6]. Fifth, improve business scenarios. The scene is making fintech innovation and serving the entity connection point. The most important innovation's bottom line is strengthening risk control and safety. Finally, financial institutions need to conduct effective internal and external connections to create an open and win-win development ecology.

4.2 Build a Comprehensive Transformation Governance System

The current digital transformation of financial institutions needs to pay attention to three aspects: three aspects: From the perspective of supply-side elements, it is technology, supervision, and policy; in terms of demand, it is a constant customer preference. Among them, the most important thing is supervision and policies. In my country's current trend and environment of digital transformation, we need to understand and understand the trend of supervision and policies fully and grasp the bottom line of compliance. The "Financial Technology Development Plan (2022-2025)" (hereinafter referred to as "Planning") and the CBRC launched by the People's Bank of China earlier this year and the "Guidance Opinions on the Digital Transformation of the Banking Insurance Industry" (hereinafter referred to as "Opinions")

The importance of "Planning" attaches importance to the importance of technology is unprecedented. Technical breakthroughs are also the top priority in the process of digital transformation. At the level of service technology, the "Planning" also proposes establishing a number of replicable service fintech model projects, classic practices, and service specification institutions demonstration zones, encouraging conducting first trials actively. Finally, at the level of risk and supervision, "Planning" also requires that the government needs to be supervised from the past, non-on-site supervision, and gradually evolved to big data supervision and technical supervision. First of all, "Opinions" focused on promoting digital strategic transformation, focusing on five directions, including industrial digital finance, digital transformation of personal finance, digital levels of financial market transactions, building a digital operation system, and building a safe and efficient financial service ecology. In addition, data capacity building, scientific and technological capabilities, and risk prevention are all top priorities.

4.3 Increase the Intensity of Infrastructure Upgrades and Construction

The first is to do a good job of promoting and explaining, implementing, following -up supervision and demonstrating strategic measures in the new era, implementing digital financial transformation and upgrading plan, establishing a database of financial digital technology maturity evaluation system and advanced technology application project, further strengthen international collaboration and international exchanges, and promote the new era of digital financial transformation from multiple leaps into deeper development. The second is to establish and improve financial data ethical supervision structure and system standards, truly protect consumers' legitimate rights and interests and effectively serve the development of the real economy [7]. The third is to thoroughly apply advanced management methods for modern fintech, further improving the standards of modern commercial bank financial data platform management systems, exploring the standard system for the formation of intelligent algorithm data release and risk evaluation, and continuously enhancing the unity, professionalism, and penetration of supervision and management. The fourth is to further carry out experiments such as financial technology increase rural revitalization demonstration projects and financial data integration and use, use of big data information technology effectively to improve the structure of inclusive digital finance, and strive to cross the data gap between groups, departments, and cities. Fifth, further strengthening digital financial supervision technology construction, improve the financial technology problem library, defect library, and case library, and use modern regulatory methods effectively to enhance the forward-looking, targeted and effective decision-making.

5. Conclusion

The development of any industry is to build a beautiful country, but for the relevant rights and interests of the people, as a representative industry of the current development of social industries, the development of the financial industry is to create a better economic life for the general public. The change and innovation of fintech under the support of the digital economy should be an inevitable trend of the future development of the economy and complete the integration of fintech and services with the real economy.

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