

The impact of fintech on traditional banking

Qi Yang*

Xihua University, Chengdu 610039, China.

Abstract: With the continuous advancement of science and technology, financial technology (FinTech) has risen and developed rapidly around the world. The rise of fintech has had a profound impact on traditional banking. The purpose of this paper is to explore the impact of financial technology on traditional banking business, and analyze the change of financial technology on the marketing strategy of traditional banks. Through the comparative study of fintech and traditional banking, we can better understand how fintech changes the operation mode of traditional banks, and provide references for the future development of traditional banking.

Keywords: Outlookfintech; Traditional Banking; Marketing; Innovation; Digitalization

1. Introduction

With the rapid development of information technology and the Internet, Fintech, as a new financial service model, is rising rapidly around the world. This emerging technology has had a profound impact on traditional banking, changing the way traditional banks operate and the market landscape. Therefore, an in-depth study of the impact of fintech on traditional banking has important theoretical and practical significance. The purpose of this paper is to conduct an in-depth analysis of the impact of financial technology on traditional banking business, reveal the changes of financial technology on the business model and marketing strategy of traditional banks, and explore how to deal with the challenges and opportunities of financial technology from the perspective of traditional banks. Specific research objectives include understanding the main influencing factors and mechanisms of financial technology on traditional banking business, analyzing the subversion and innovation of financial technology on traditional banking business model, and discussing the adjustment and change of financial technology on traditional banking marketing strategy. Through research methods such as literature review, case analysis, data analysis and expert interviews, this study will comprehensively analyze the impact of fintech on traditional banking business, and put forward relevant development countermeasures and suggestions^[1].

2. The development and characteristics of financial technology

Financial technology (Fintech) refers to the use of technological innovation and digital technology to improve and enhance financial services and business. It covers a wide range of areas, including payment and settlement technologies, P2P lending, digital currencies, blockchain, artificial intelligence, big data analytics, and more. It is used in various financial fields, including banking, insurance, investment management, payment and settlement. The goal is to provide more convenient, efficient, personalized and secure services through innovative technologies and business models. Its development can be traced back to the 1990s, with the rise of the Internet, financial services began to digitize, and electronic payments gradually became a reality. In its early stages, fintech focused on electronic payments and online banking services. With the popularity of mobile Internet and smart phones, the development of electronic information in countries around the world is rapidly accelerating, and emerging technologies such as mobile payment, cloud computing and blockchain continue to emerge, which has brought great changes to the industry. Features and advantages of financial technology: innovation: with innovation as the core, financial technology breaks the shackles of traditional finance by introducing new technologies and business models to find new solutions and business models. Flexibility: Fintech companies usually adopt an agile operating model that can quickly respond to market demands and changes, and flexibly adjust products and services. Personalization: Fintech can provide personalized financial products and services through data analysis and technology application. Tailor solutions to customers' needs and preferences to provide a personalized experience. Efficiency: Fintech improves the efficiency and quality of financial services through digitalization and automation. It reduces the tedious manual operation, speeds up the transaction processing speed, and provides faster and more convenient services. Convergence: Fintech advocates the coopera-

tion and integration of different industries. Through cooperation with other industries, such as technology companies, e-commerce platforms, etc., to create more business opportunities and innovative solution scalability: Fintech is not limited by geography, and can expand the market through the Internet and digital channels. Whether it is cross-border payments, international remittances, or cross-border investment, fintech breaks the boundaries of traditional finance and achieves global services.

Fintech has exerted a wide-ranging and profound influence on traditional banking. The emergence of fintech has presented both challenges and opportunities for traditional banks. Leveraging new technologies and data analytics capabilities, fintech companies have introduced innovative financial products and services that are personalized, flexible, and convenient to meet the evolving and diverse needs of their customers. This drive for innovation has spurred the transformation and enhancement of traditional banking, enabling it to continuously enhance the quality and variety of its offerings in order to remain competitive^[2].

3. Financial technology changes the marketing strategy of traditional banks

Financial technology has a profound impact on the marketing strategy of traditional banks, mainly reflected in the following aspects.

1) Digital Marketing and Customer Relationship Management: The rise of fintech has driven the digital transformation of traditional bank marketing strategies. Traditional banks are increasingly relying on digital channels, such as social media, search engine marketing and email marketing, to spread their brand image, attract new customers and maintain relationships with existing customers. Electronic technology marketing tools provide more precise targeting and precise promotion capabilities to help banks better understand and meet customer needs. Through these channels, traditional banks are able to interact more closely with customers and provide more convenient services and recommendations. At the same time, this kind of marketing also enables banks to track and analyze customer behavior more effectively, so as to achieve more accurate customer relationship management.

2) Data-driven market analysis and positioning: The development of technology has enabled traditional banks to make better use of data for market analysis and positioning. Through big data and artificial intelligence technologies, banks are able to gain insight into customer behavior, preferences and needs and accurately identify target markets and potential customer groups. Based on data-driven market analysis, traditional banks can develop more targeted marketing strategies and improve market competitiveness. Data-driven market analysis and positioning can help banks better understand market trends, adjust product and service strategies, and build closer connections with target customer groups.

3) Personalized marketing and precise recommendation: Through data analysis and machine learning algorithms, banks can provide tailor-made financial products and services based on customers' personal characteristics and behavioral habits. Personalized marketing and precision referrals increase customer satisfaction while strengthening the customer's relationship with the bank and facilitating cross-selling and value-added services opportunities.

Fintech has had an impact on traditional bank marketing strategies, driving digital transformation and improving customer relationship management. Traditional banks should actively respond to these changes, improve their digital capabilities and data analysis capabilities as soon as possible, in order to meet the needs of market competition, achieve long-term sustainable development, and provide better service experience^[3].

4. Future development and countermeasures of traditional banking business

The future development of traditional banking business needs to adopt a series of countermeasures under the influence of financial technology. First, traditional banks should actively embrace fintech innovation and cooperate with fintech enterprises to jointly promote the development of innovative financial products and services to meet the changing needs of customers. Second, traditional banks should enhance their digital capabilities and technology applications, invest in and build advanced technical infrastructure, such as cloud computing, big data analytics, and artificial intelligence (AI), to improve data integration and analysis capabilities and achieve intelligent and efficient business processing. Additionally, traditional banks should strengthen cooperation with fintech enterprises, technology companies, and innovative enterprises to jointly develop new financial products and services, share technology and innovation resources, and accelerate their

own innovation and transformation process. Furthermore, traditional banks should actively participate in the construction of an innovation ecosystem, by cooperating with industry associations and regulators, and jointly developing industry standards and norms to promote the sound development of financial technology. The future development of traditional banking requires actively embracing financial technology innovation and implementing corresponding countermeasures. Traditional banks should strengthen cooperation with fintech enterprises, enhance digital capabilities and technology application, collaborate with technology companies and innovative firms, and actively engage in the development of an innovation ecosystem to achieve continuous business innovation and development. Through these countermeasures, traditional banks can effectively respond to market changes and customer needs, maintain competitiveness, and achieve sustainable development.

5. Conclusion

This study delves into the impact of financial technology on traditional banking business and examines the transformation of traditional banks' marketing strategies. The advent of financial technology has revolutionized the landscape of traditional banking, exerting new competitive pressures by introducing innovative financial products and services. In response, traditional banks are compelled to enhance the quality, diversity, and personalization of their offerings. Proactively addressing fintech challenges is imperative for traditional banks. Key to this endeavor is the improvement of digital capabilities and the application of technology. Traditional banks should forge stronger partnerships with fintech enterprises to collectively drive the development of innovative financial products and services. Moreover, traditional banks need to bolster their digital marketing and customer relationship management efforts, leveraging data-driven market analysis and precision recommendations to elevate customer experience and satisfaction. Collaboration and innovation ecosystem construction are crucial for traditional banks, wherein cooperation with fintech enterprises, technology companies, and innovative firms can foster the advancement of financial technology. By adopting these measures, traditional banks can effectively adapt to market changes and meet customer demands, facilitating continuous innovation and development.

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