

What is Fintech? The potential and role of Fintech in the 4.0 era

Synthesize information related to Fintech, the role and potential of Fintech as well as the financial technology industry in the future. To expand your knowledge and career orientation, click to see the article now!

In the financial sector, especially in the 4.0 era, Fintech is a term that has received the attention of many people. So what is Fintech, what role and potential in the future is so popular? Please find out through the article below.

1. What is Fintech?

Fintech is an English term for the word **Financial Technology** with a combination of **Finance** (finance) and **Technology** (technology), simply called **financial technology**.

Fintech is widely used in banking and finance activities thanks to the explosion of the Internet revolution, the Internet revolution on mobile platforms, and cloud computing technology to simplify processes and improve business efficiency. of companies and organizations using the Internet in operations and management.



2. Fintech's main product group

Depending on users, Fintech is divided into 2 groups:

- **The first group** : For **personal consumption customers** with the purpose of supporting loan activities and money management. Therefore, the main products of this group are digital tools and other technologies.

- **The second group** : For **Fintech companies and financial institutions** . Therefore, the main product of the group is the back-office with the aim of improving the performance of the two objects above.



In addition to providing regular services (payment, lending and money transfer), Fintech also has other services such as:

- Personal finance consulting (**Personal Finance**).
- Insurance technology (**Insurtech**).
- Digital currency (**Crypto Blockchain**).
- Call the community capital (**crowdfunding**).
- **Peer To Peer Lending** .



3. The potential of Fintech

The potential for Fintech in the future is enormous.

Through the strong development of Internet service channels such as: E-wallet, Mobile Banking, Internet Banking, Digital Banking, .

- **Changing the labor market**

Focusing on the quality of human resources with financial expertise and information technology rather than the number of employees, reducing input costs for organizations thanks to the application of information technology infrastructure.

- **Digitalization system**

Using advanced technologies such as Big Data, CRM (Customer Relationship Management), . to improve business efficiency.



5. Some fields related to Fintech

- Blockchain technology.

- Electronic money (**Cryptocurrency**).

- **Open banking** : Build networks to connect financial institutions with third-party providers.

- **Contract Smart** (**Smart Contract**): Automation of obligations between the buyer and seller thanks Blockchain technology.



Ethereum : The foundation of the virtual currency Ether.

- **Insurance technology** : Simplify the process of providing insurance services and improve efficiency.

Regtech (Regulator Technology) : Ensures that the company providing financial services is in compliance with industry rules, especially on anti-money laundering and fraud prevention.

- **Cyber ??security** : Increasing security on the network due to the increasing number of threats to cybercrime.



Hope this article can bring you interesting knowledge about Fintech and its potential in the future. Thank you for watching and see you in the following articles.

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