

The Role of Fintech in Transforming Traditional Financial Services

Peran Fintech dalam Transformasi Layanan Keuangan Tradisional

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ABSTRACT

This research explores the role of Fintech in changing traditional financial services. With a focus on the transformation of the financial industry through technological innovation, this research explores the impact of Fintech in improving efficiency, accessibility and innovation. The literature review provides a clear understanding of key concepts, such as openness (Open Banking), financial security, operational efficiency, financial inclusivity, and user experience. Through a systematic literature review approach, this research investigates the implications of Fintech's transformation of traditional financial services and identifies emerging trends and challenges. Results and discussion include analysis of the impact of Fintech in improving financial services, solving existing problems, and providing a holistic perspective on paradigm shifts in the financial industry. The findings of this research contribute to a deep understanding of the evolution of Fintech and open space for further research in optimizing the benefits of financial technology for society and the global economy.

Keywords: *Financial Technology, Transforming, Traditional Financial Service*

ABSTRAK

Penelitian ini mengeksplorasi peran Fintech dalam mengubah layanan keuangan tradisional. Dengan fokus pada transformasi industri keuangan melalui inovasi teknologi, penelitian ini mengeksplorasi dampak Fintech dalam meningkatkan efisiensi, aksesibilitas, dan inovasi. Tinjauan literatur memberikan pemahaman yang jelas tentang konsep-konsep utama, seperti keterbukaan (Open Banking), keamanan finansial, efisiensi operasional, inklusivitas keuangan, dan pengalaman pengguna. Melalui pendekatan tinjauan pustaka yang sistematis, penelitian ini menyelidiki implikasi transformasi Fintech pada layanan keuangan tradisional dan mengidentifikasi tren dan tantangan yang muncul. Hasil dan pembahasan meliputi analisis dampak Fintech dalam meningkatkan layanan keuangan, menyelesaikan permasalahan yang ada, dan memberikan perspektif holistik terhadap perubahan paradigma di industri keuangan. Temuan penelitian ini berkontribusi pada pemahaman mendalam mengenai evolusi Fintech dan membuka ruang bagi penelitian lebih lanjut dalam mengoptimalkan manfaat teknologi keuangan bagi masyarakat dan perekonomian global.

Kata Kunci: *Financial Technology, Transforming, Traditional Financial Service*

Introduction

The development of information technology, especially in the financial industry, has given rise to a significant transformation in the provision of financial services. This phenomenon is mainly reflected in the birth of Financial Technology (Fintech), a technological innovation that changes the paradigm of traditional financial services. Fintech is bringing major changes to the way financial companies provide products and services, offering innovative solutions that are more efficient and accessible for consumers (Anifa, 2022). This transformation phenomenon not only covers the banking sector, but also involves a large number of other financial industries, including insurance, investment and peer-to-peer financial services. Through this approach, this research aims to provide an in-depth

understanding of the contribution of Fintech in changing the landscape of traditional financial services, as well as its impact on various stakeholders, from consumers to financial institutions (Arner,2018).

In the modern era filled with technological advances, the financial industry is experiencing revolutionary changes through the adoption of financial technology (Fintech). This transformation presents major opportunities and new challenges for governments, the financial industry and consumers. Therefore, research on the role of Fintech in the transformation of traditional financial services is crucial to fully understand its impact (Boratyńska,2019). The dependence of society and companies on Fintech services is increasing. The application of Fintech is not only limited to certain groups, but covers a wide spectrum from daily transactions to investment management. Therefore, a deeper understanding of the role of Fintech is crucial to responding to the growing needs and challenges in this digital era (Arnaut, 2023).

Fintech transformation has the potential to have a significant economic and social impact, both in improving operational efficiency and expanding accessibility to financial services. This research is important to identify the economic opportunities contained in Fintech developments and their impact on financial inclusivity and economic growth (Imerman,2020). Along with the benefits brought by Fintech, risks and issues related to security also arise. This research needs to identify and address potential security and privacy risks that may arise with the mass adoption of Fintech, making security a priority in this financial transformation (Karagiannak, 2017).

This research aims to investigate the role of Fintech in transforming traditional financial services, focusing on its impact on efficiency, accessibility and user experience. The existence of Fintech has introduced various platforms and applications that enable individuals and companies to access, transact and manage their finances more quickly and effectively (Jarvi,2021). By exploring these significant changes, it is hoped that this research can provide insight for the financial industry, government and academics to face the challenges and opportunities that arise as a result of these dynamic changes. In addition, it is hoped that the findings of this research can become a basis for developing policies and business strategies that are responsive to changes in the financial services ecosystem.

Even though there has been in-depth research on Fintech, there is still a research gap that needs to be filled. Some specific aspects of Fintech's impact on various financial services sectors may not yet be fully explored. Therefore, this research will make a significant contribution by filling this gap and providing new insights regarding the role of Fintech in the transformation of traditional financial services. By combining these aspects, this research is expected to provide a valuable contribution to stakeholders, helping them overcome challenges and take advantage of the opportunities offered by the Fintech era.

Literature Review

Fintech (Financial Technology)

Fintech, short for Financial Technology, refers to the application of information technology in the financial industry. It includes various innovations such as digital banking applications, electronic payment platforms, blockchain technology, and artificial intelligence. Fintech aims to increase efficiency, accessibility and innovation in the provision of financial services. Fintech includes various digital banking applications that provide financial services through electronic platforms (Gomber,2018). This includes applications such as mobile banking, internet banking, and other online banking services that enable users to conduct transactions, access financial information, and manage their accounts quickly and easily. Fintech is bringing a revolution in payment systems through the development of electronic payment platforms. It also includes digital wallets, payment applications, and online payment gateways that facilitate

cashless transactions. Users can make payments, transfer money, and even subscribe to financial services without needing to use cash or physical cards (Golubev, 2020).

Fintech leverages artificial intelligence for more sophisticated data analysis, providing financial recommendations, and better risk management. Artificial Intelligence (AI) systems can process and analyze financial data on a large scale, providing deep insights and supporting more accurate decision making. Fintech can also be related to the Internet of Things (IoT), where connected devices can be used to monitor and collect financial-related data in real-time (Everything, 2018). This can facilitate more accurate data-based decision making and support more personalized financial services. Fintech uses data analytics to identify consumer trends, understand financial behavior, and adapt financial services to user needs. Data analytics plays a key role in developing more targeted products and services. Through the application of these various technologies, Fintech is not only modernizing financial services, but also changing the traditional paradigm of finance. The main focus is to increase efficiency, provide wider accessibility, and stimulate innovation within the financial industry (Barroso, 2020). Innovation continues to develop, creating a dynamic and adaptive financial ecosystem to support the demands of a digital society (Mention, 2019).

Transforming Traditional Financial Services

Transformation of traditional financial services is the process by which technology, especially Fintech, changes the way financial institutions provide products and services. This involves using technology to simplify processes, reduce operational costs and improve service quality. This transformation can cover the banking, insurance, investment and other sectors. This transformation begins with the application of technology to simplify the operational processes of financial institutions (Saksonova, 2017). Automating and automating manual processes is becoming a major step, enabling these institutions to carry out their key functions more efficiently. For example, the use of automation systems in loan approvals can cut the time required to get approval and disbursement. This transformation aims to reduce operational costs for financial institutions. By leveraging technology, including the use of intelligent algorithms and data analysis, financial institutions can identify areas that can be optimized. This includes efficiencies in back-office processes, better risk management, and reduced overall administrative costs (Pantelieva,).

The use of technology in financial services transformation is not only about efficiency, but also improving the quality of services provided to customers. For example, the use of chatbots and artificial intelligence can improve customer service by providing fast and personalized responses (Qi, 2023). User-friendly and intuitive digital banking platforms are another example of improving service quality. This transformation is not limited to one financial sector. Significant changes have occurred in various sectors, including banking, insurance and investment. In the banking sector, for example, the emergence of digital banks and electronic payment platforms is changing the way individuals and businesses interact with banking services (Sjamsudin, 2019). In the insurance sector, technology is used for more accurate risk assessment and efficient claims management. In the investment sector, robo-advisor platforms use intelligent algorithms to provide investment advice automatically (Suprun, 2020).

This transformation also creates opportunities for the development of new products and services. Fintech introduces products such as peer-to-peer lending, crowdfunding, and cryptocurrencies that provide new alternatives in financing and investment. This kind of innovation can provide major benefits to consumers and increase competitiveness in financial markets (Taherdoost, 2023). The transformation of traditional financial services does not only focus on technological aspects, but also includes changes in culture and business strategy. Financial institutions must embrace a culture of innovation, flexibility and responsiveness to market changes. This transformation triggered the evolution of business strategy from a

traditional model to a model that is more adaptive and open to innovation. Through this transformation of traditional financial services, financial institutions can face the challenges of the times and increase their competitiveness in the ever-changing digital era. Technological innovation and changes in business approaches are the keys to success in achieving efficiency, improved service quality, and meeting increasingly high consumer expectations (Weichert, 2017).

Operational Efficiency

Operational efficiency refers to the ability of a financial institution to carry out its operational activities with low costs and optimal output. Fintech plays a role in increasing operational efficiency by automating processes, using algorithms and sophisticated data processing. Operational efficiency includes the ability of a financial institution to optimize the use of its resources (Suryono, 2020). This includes workforce, infrastructure, and technology. Fintech plays a key role in streamlining operations by identifying and eliminating waste, so that every resource is put to best use. Fintech brings automation to various routine and administrative processes. For example, loan approval processes, account management, and transaction processing can be automated, reducing the need for time-intensive human intervention and eliminating the risk of human error (Arner, 2018).

The use of algorithms and artificial intelligence (AI) helps financial institutions make smarter and more efficient decisions. Algorithms can analyze big data quickly, provide deep insights and help in making more accurate decisions. Examples include credit risk assessment, fraud detection, and personalization of services based on consumer behavior (Barroso, 2022). Fintech enables financial institutions to operate more quickly and be responsive to changing markets and consumer needs. With supporting technology, transactions can be processed in real time, and financial institutions can adapt quickly to changes in economic conditions or regulations (Gomber, 2018). Fintech provides sophisticated data processing capabilities. Deep data analysis can help financial institutions understand consumer behavior patterns, identify new market opportunities, and design more effective marketing strategies. By using data intelligently, financial institutions can increase prediction accuracy and optimize business decisions (Jarvis, 2021).

With automation, the use of algorithms and sophisticated data processing, Fintech effectively reduces the operational costs of financial institutions. Waste of time and resources can be eliminated, so that financial institutions can carry out their operations at lower costs, increasing their profitability and competitiveness in the market (Alt, 2018). Fintech's improved operational efficiency can also directly benefit customers. Customer service can become faster, more accurate, and more responsive to individual needs. Innovations such as chatbots and AI-based customer service improve customer experience by providing quick answers and efficient solutions. By understanding and applying these operational efficiency concepts, financial institutions can gain significant benefits in increasing productivity, reducing costs, and providing better service to their customers. Fintech is a catalyst in driving transformation towards more efficient and adaptive operations in the world of finance (Anifa, 2022).

Financial Inclusivity

Financial inclusivity emphasizes the importance of providing access to financial services to all levels of society, including those previously difficult to reach by traditional services. Fintech can increase financial inclusivity through technology-based services that can be easily accessed by everyone. Financial inclusivity represents a commitment to providing access to financial services to all levels of society, regardless of income level, geographic location, or social status (Qi, 2023). This focus aims to align financial policies with the principles of justice and equality, ensuring that the entire population has the opportunity to utilize financial services that can improve their well-being. Before the advent of Fintech, many individuals and

groups around the world faced difficulties in accessing financial services. Traditional banks often do not pay attention to certain segments of the population, such as those living in remote areas, low-income groups, or those without a strong credit history. Financial inclusivity aims to overcome this disparity (Jarvis, 2021).

Fintech is an innovative solution to increase financial inclusivity. Through technology-based services, Fintech provides easier and more affordable access, even for those who do not have access to traditional financial services. Digital banking applications, electronic wallets, and online money transfer services are some examples of Fintech implementations that support financial inclusivity (Jarvis, 2021). Fintech is often described as a force capable of "banking the unbanked" or providing banking services to those who previously did not have access to the formal banking system. This innovation involves the use of mobile technology, which many populations in developing countries have, to open accounts, access banking services, and even gain access to credit (Saksonova, 2017). Fintech business models such as peer-to-peer lending and crowdfunding provide a platform for individuals and small businesses to gain access to funding without having to go through complicated credit processes. This provides greater opportunities for micro and small business actors to develop and participate in the economy more actively (Sjamsudin, 2019).

Fintech can also play a role in increasing financial inclusivity through financial education. Online apps and platforms can provide educational information and resources to individuals who may not have previously had access to traditional financial training. This can increase their understanding of financial management and the financial service options available (Gomber, 2018). Fintech seeks to reduce technological barriers by simplifying user interfaces, using easy-to-understand language, and minimizing complex technical requirements. This aims to make financial services more accessible to various levels of society, including those who may not be familiar with high technology. With the continued development of innovation in the world of Fintech, financial inclusivity is becoming an increasingly realizable goal. Fintech is not only a financial intermediary, but also a driver of inclusivity and equal access to financial services throughout the world (Arner, 2018).

Financial Security

Financial security is a key aspect in the transformation of financial services. Fintechs must ensure data protection, transaction security and compliance with financial regulations. Strong financial security is an important factor in building consumer trust in Fintech services (Mention, 2019). Financial security involves protecting users' personal data. Fintechs must ensure that sensitive information such as account details, identity information and transaction data are closely guarded. Data protection is a prerequisite for building customer trust and complying with applicable privacy standards. Fintech uses encryption technology to secure data exchanged between users and platforms. Encryption converts data into a format that can only be read with the correct encryption key (Jarvis, 2021). Additionally, data protection involves measures to prevent unauthorized access and ensure that financial information remains secure throughout its life cycle.

Financial security systems often employ multi-factor authentication. This involves using more than one identity verification method, such as a password, verification code, or biometric identification. These steps help prevent illegal access and protect user accounts from potential fraud. Fintech must guarantee the security of financial transactions. This includes protection against identity theft, credit card fraud, and other illegal activities. Intelligent fraud detection systems and real-time transaction monitoring help identify and respond quickly to potential security threats. Fintechs must comply with financial regulations that apply in their operational areas. This compliance includes consumer protection, financial risk management, and financial reporting. Carrying out operations in accordance with regulations helps create a safe and reliable financial environment (Karagiannaki, 2017).

Security audits and monitoring are important steps in ensuring that Fintech systems comply with security standards and can identify potential security gaps. Regular checks by independent or internal parties help evaluate and continuously improve financial security. Fintech also plays a role in educating users about financial security practices. This involves providing information about how to protect passwords, recognizing phishing attempts, and understanding the importance of keeping their own financial information private. As a preventive measure, Fintech must have a response plan for security incidents (Golubev, 2020). This involves steps to handle, report, and respond to unwanted security events or data breaches. Fast and appropriate responses can reduce the impact of security incidents. Secure fintechs communicate transparently with users about the security measures implemented. This includes providing information about how data is stored, used and protected. Transparency helps build trust and ensures that users feel safe using Fintech services. Strong financial security is the foundation for building consumer trust. By prioritizing data protection, transaction security and regulatory compliance, Fintech can create a safe, reliable and dependable financial ecosystem for all its users (Arner, 2018).

User Experience

User experience includes all individual interactions with a Fintech platform or service. User-friendly interface design, intuitive navigation, and clear presentation of information are key components in creating a positive user experience. A good user experience starts with a user-friendly interface design. This design involves a clean layout, comfortable color choices, and easy-to-understand visual elements. The user-friendly interface makes users feel comfortable and can easily interact with the Fintech platform. Intuitive navigation is an important element in creating a smooth user experience (Arner, 2018). Users should be able to quickly and easily find the information they need. Well-structured menus, efficient search options, and logical page layouts are some of the aspects that support intuitive navigation.

In the mobile era, the Fintech user experience often occurs through mobile applications. Responsive design and optimal functionality on mobile devices are key. Fintechs must ensure that their applications provide equivalent, or even better, comfort and convenience compared to desktop versions. A satisfactory user experience also involves personalization of services (Barroso, 2022). Fintechs may use the collected data to present relevant information, customize the interface, or provide recommendations tailored to users' individual needs and preferences. Personalization increases user engagement and makes them feel valued. Users value clear and comprehensive information. Fintech must present information about products, services and transaction processes in a way that is easy to understand. Providing transparent and complete information helps reduce user confusion and increases the level of trust (Gomber, 2018).

The registration and identity verification process is the starting point of the user experience. This process should be designed in such a way that users can register easily and without excessive obstacles. Fintechs should minimize the number of steps required and provide clear instructions. Fintech platforms must respond quickly to user actions. Fast loading times, instant feedback, and responsive interactions create a pleasant user experience and reduce frustration levels. User experience is not only limited to the registration stage (Weichert, 2017). The entire transaction process, from product selection to payment completion, must be well designed. Easy and intuitive steps at each transaction phase increase user satisfaction levels. Fintechs that care about user experience provide effective customer feedback and support channels. Accepting input from users, providing solutions to problems quickly, and providing clear guidance are important steps to ensure a positive user experience (Suryono, 2020).

A superior user experience also integrates emotional factors. Fintech can create an emotional connection with users through positive messaging, enjoyable experiences, and

caring responses to their needs and concerns. By prioritizing user-friendly interface design, intuitive navigation, and customized services, Fintechs can ensure that user experience becomes a competitive advantage. A positive user experience not only creates loyal customers, but also helps build a strong brand image in the market.

Financial Regulation

Financial regulations are regulations that supervise and control the operations of financial institutions. In the context of Fintech, challenges arise in adapting regulations to rapid innovation. The balance between promoting innovation and consumer protection is a major concern in Fintech financial regulation. Financial regulations are a set of rules and policies made by the government or financial authority to supervise and control the activities of financial institutions (Arner, 2018). The aim is to maintain financial system stability, protect consumer interests, and prevent risks that could harm society. In the context of Fintech, financial regulation becomes very important because Fintech brings rapid innovation in financial services. Regulations need to keep pace with these developments to create a balanced environment, facilitating the growth of the Fintech industry, while still protecting consumers and maintaining financial system stability (Gomber, 2018). One of the main challenges in Fintech regulation is the speed of innovation. Regulators must be able to adapt quickly to changes in technology and business models introduced by Fintech. Speed of regulation is key to ensuring that regulation remains relevant and effective (Saksonova, 2017).

Fintech regulations must strike the right balance between promoting innovation and protecting consumers. Regulators need to support the development of new technologies without abandoning their responsibility to protect consumers from potential risks and abuse. Consumer protection is the main focus in Fintech regulations. Given that Fintech can include services such as peer-to-peer lending, online investing, and digital money transfers, regulators must ensure that consumers have clear rights, receive honest information, and are protected from harmful business practices. Fintech regulations need to encourage transparency and openness. Fintechs must provide consumers with clear and accessible information about how their services operate, the costs involved and possible risks. This ensures that consumers can make informed and intelligent decisions (Taherdoost, 2023).

The importance of collaboration between regulators and the Fintech industry also needs to be emphasized. Open dialogue and cooperation between both parties helps create regulations that are more relevant, effective and enforceable. It also provides an opportunity for regulators to understand in depth the latest innovations and challenges faced by the industry. Along with the global growth of Fintech, regulations need to consider cross-border market dimensions (Imerman, 2020). International cooperation and the creation of coherent regulations across various jurisdictions are important to maintain global consistency and stability in financial services. Effective financial regulation in the Fintech context requires the ability to adapt to change. Flexibility and speed in responding to changing trends and technology are key in creating an environment conducive to innovation and economic growth (Arner, 2018).

Fintech regulations also need to include aspects of education and awareness, both for consumers and industry players. Ensuring that all parties understand their rights and obligations, as well as the risks associated with Fintech services, is an important step in creating a healthy ecosystem. By understanding the dynamics of Fintech innovation, financial regulations can play a positive role in creating an environment that supports growth and reduces risk. A balance between promoting innovation, consumer protection and responsibility for financial stability is key in developing effective Fintech regulations (Alt, 2018).

Openness (Open Banking)

The concept of openness refers to the practice of providing open access to financial data and banking services by third parties through application programming interfaces (APIs). Openness increases competition, innovation, and gives consumers more choices in utilizing financial services. Open Banking is an approach in which financial institutions provide open access to their financial data to third parties through application programming interfaces (APIs). In this context, financial data includes information about accounts, transactions and other financial services (Jarvis, 2021). APIs are a key component of openness. Through APIs, financial institutions can share data with third parties in a structured and secure manner. Third parties, such as financial service providers or fintech applications, may use these APIs to access financial information and provide additional services to consumers.

Openness creates a more competitive and innovative environment in the financial sector. With open access to data, various service providers can compete to provide the best and most innovative solutions. This drives the development of new applications, more efficient business models, and continuous improvements in financial services. One of the main benefits of openness is that it gives consumers more choices. Consumers can combine their financial data from various sources, access more personalized services, and choose the products that best suit their needs (Mention, 2019). Openness empowers consumers to manage their finances more effectively. With openness, financial services can be better integrated. Consumers can experience a smoother experience in accessing and using various financial services, both from major financial institutions and from third parties. This interoperability increases efficiency and convenience. While providing open access, openness also places great emphasis on data security and privacy. Strict regulations and security standards must be implemented to protect consumers' sensitive information. Data security is a prerequisite for building consumer trust in the openness model (Karagiannaki, 2017).

Openness encourages close cooperation between traditional financial institutions and fintech companies. Financial institutions can collaborate with fintechs to provide more innovative services and expand the scope of their services. This kind of collaboration creates a dynamic financial ecosystem. Openness can increase consumer access to credit and other financial services (Jarvis, 2021). Open financial data allows service providers to make better risk assessments, helping consumers who previously found it difficult to gain access to traditional financial services. Consumers can manage their finances better through transparency. By combining information from multiple sources, financial management applications can provide deeper insights, help with financial planning, and make smarter recommendations. Openness can also play a role in financial education. By openly accessing financial data, consumers can better understand their spending patterns, gain insight into financial habits, and increase understanding of overall financial management. Openness is a fundamental shift in the financial industry that introduces new dynamics between financial institutions, fintechs and consumers. With careful regulation and strong data protection, openness can be a key driver in increasing innovation and providing added value to consumers in the world of finance (Arnaut, 2023).

Through a deep understanding of these concepts, this research will investigate the impact of Fintech in the transformation of traditional financial services, answering key questions related to efficiency, inclusivity, security and user experience in the digital financial era.

Research Methods

Systematic literature study is a structured research approach to identify, evaluate, and summarize relevant literature related to a research topic. This method allows researchers to organize and evaluate scientific evidence comprehensively, forming a strong knowledge base about the research topic in question. In the keyword identification stage, researchers determined keywords that were relevant to the topic, such as "Fintech," "Traditional Financial

Services,” and “Digital Transformation.” Data sources used include leading databases such as Scopus, IEEE Xplore, Google Scholar, as well as leading financial journals.

In setting inclusion and exclusion criteria, researchers ensure that the literature screened is relevant and high quality literature. Initial screening was carried out based on the title and abstract to identify literature that was appropriate to the research objectives. After that, the extracted information was grouped into themes that reflect key aspects in the role of Fintech in the transformation of traditional financial services. Research also includes identifying patterns and trends that emerge from the selected literature.

In the findings conclusion stage, the researcher synthesizes the main findings from the literature, providing a comprehensive picture of the role of Fintech in the transformation of financial services. In addition, the research also aims to identify research gaps that need to be filled, directing further research. With a systematic literature study approach, it is hoped that it can provide an in-depth and holistic picture of the role of Fintech in the transformation of traditional financial services. In addition, this approach also helps identify barriers and opportunities that can be the focus of further research.

Results and Discussions

The Impact of Fintech on Operational Efficiency

Literature results show that Fintech has succeeded in increasing operational efficiency in traditional financial services. The application of automation technology, the use of intelligent algorithms, and the adoption of blockchain technology have reduced operational costs and accelerated transaction processes. This is consistent with literature that emphasizes the role of Fintech in increasing the efficiency and productivity of the financial industry.

Financial Inclusivity and Accessibility

Fintech has also been proven to have a positive impact on financial inclusivity by providing services that are more easily accessible to the public. Innovations such as digital payment services, peer-to-peer lending, and robo-advisors have opened up access to financial services for individuals or groups that were previously difficult to reach by traditional financial institutions. This is in line with aspirations to achieve greater financial inclusiveness.

Security and Regulation

While there are advantages in efficiency and inclusivity, the literature also highlights challenges in security and regulation. Data security and privacy are critical issues in digital financial transactions. The existence of gaps in Fintech financial regulations requires increased cooperation between industry and regulators to address emerging risks.

Enhanced User Experience

User experience is a key focus in the transformation of financial services by Fintech. Literature studies highlight that user-friendly interface design, predictive algorithms, and personalization of services have increased user satisfaction. This aspect is crucial to winning consumer trust and loyalty.

Openness (Open Banking)

The literature also examines the trend of openness in financial services, where Fintech plays a catalyst role. Openness involves open data exchange between financial institutions and third parties via APIs. This is expected to increase innovation, competition and give consumers more choices.

Research Gap and Future Challenges

Despite significant progress, this research identified several research gaps that still need to be explored further. Security challenges, global regulatory integration, and the socio-economic impact of Fintech transformation are areas of research that need further attention. Opening up this space can guide future research and more informed policy development.

Conclusion (Penutup)

From the results and discussion, it can be concluded that the role of Fintech in the transformation of traditional financial services has had a significant impact. Fintech not only creates operational efficiencies, but also opens up access to financial services for more people. However, security and regulatory challenges remain the focus of attention. Through this understanding, stakeholders can design appropriate strategies to maximize the benefits of Fintech while addressing emerging challenges.

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