Public opinion risk management strategy from the perspective of financial technology

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Abstract. With the rise of the information age and the popularity of the Internet, financial technology enterprises are facing the challenge from the risk of public opinion. Public opinion risk management strategies in the field of financial technology include monitoring and early warning, establishing crisis management mechanism, strengthening communication and interaction, risk assessment and control, and compliance legal risk management. Negative news can spread in an instant and have a serious impact on corporate reputation, and background factors such as changing user demand, strengthening government supervision, fierce market competition and increasing public attention further aggravate this risk. Therefore, this paper puts forward that financial technology enterprises need to establish effective public opinion risk management strategies, including monitoring and early warning, establishing crisis management mechanism, strengthening communication and interaction, conducting risk assessment and control, and complying with legal risk management, so as to protect the reputation and interests of enterprises and realize sustainable development.

Keywords: Finance, Public opinion risk management, Strategy.

1. Introduction

Financial technology refers to an emerging industry that uses information technology and Internet technology innovation to change the traditional financial business model and improve the efficiency of financial services and user experience [1]. With the continuous progress of science and technology and the digital transformation of the financial industry, financial technology has risen rapidly around the world and has had a far-reaching impact on the traditional financial industry [2]. With the development of financial technology, public opinion risk management has also become one of the important challenges faced by financial technology enterprises. Public opinion risk refers to the opinions and evaluations held by the public on a certain enterprise or product [3]. In the information age, these opinions and evaluations can be spread and diffused through various channels, thus causing potential negative impact on the reputation and image of the enterprise [4]. As the business of financial technology enterprises involves sensitive information such as users' funds and data, once a public opinion risk event occurs, it will directly affect users' trust and market competitiveness [5]. Therefore, financial technology enterprises need to take active measures to monitor, warn and manage public opinion risks in order to protect their reputation and interests [6]. From the perspective of financial technology, the formulation and implementation of public opinion risk management strategy is very important for the sustainable development and market competitiveness of enterprises.

In today's information age, public opinion risk management has become crucial [7]. With the popularity of the Internet and social media, the public can easily obtain and share all kinds of information, which has a direct impact on the reputation and image of enterprises. Negative news can spread quickly and bring serious public opinion risks to enterprises [8]. At the same time, the change of user demand, the strengthening of government supervision, the fierce market competition and the improvement of public attention have further increased the complexity and diversity of public opinion risk [9]. First of all, the change of user demand makes financial technology enterprises face higher expectations and requirements. Users pay more and more attention to the quality, security and data privacy protection of financial technology products [10]. In the event of accidents such as security problems or data leakage, users' dissatisfaction and resistance will quickly form the risk of public opinion and cause great damage to enterprises [11]. Secondly, the strengthening of government

supervision has put forward higher compliance requirements for financial technology enterprises [12]. With the rapid development of financial technology industry, the supervision of government departments is also increasing. The government has intensified its crackdown on violations. Once violations are found, they will be dealt with seriously and made public, which will bring serious public opinion risks to enterprises. In addition, with the increasingly fierce market competition, financial technology enterprises need to constantly innovate and improve their competitiveness. However, in the process of competition, some enterprises may take unfair competition behaviors such as defaming competitors or deliberately spreading false information, which will bring negative effects to the whole industry. This vicious competition not only damages the relationship between enterprises, but also causes the risk of public opinion. In addition, the public's attention to financial technology companies has increased significantly. With the development and application of financial technology, the public is increasingly concerned about the safety, convenience and social impact of financial technology. Once there is a negative public opinion event, the degree of public concern and discussion will further increase, which will have a greater impact on the corporate image and reputation.

2. The impact of financial technology on the risks of financial institutions

From the perspective of traditional financial risk management, in terms of credit risk, market risk and liquidity risk, thanks to technical improvement and efficiency improvement, financial technology has enhanced the risk control ability of financial institutions and reduced the risk of financial institutions; In terms of technical risks and operational risks, due to the complexity and popularity of technology, the possibility of risks and the severity of losses after them increase. From the financial business, financial data, technology, management decision-making, competition and income of financial institutions, the impact of financial technology on the risks of financial institutions has both positive and negative aspects: while reducing the traditional risks of financial institutions, financial technology has also brought new financial technology risks.

2.1 Impact on financial business risks

The impact of financial technology on financial business is mainly reflected in the optimization of traditional financial business and the innovation of financial business. From the perspective of traditional business reform, financial technology optimizes business processes, expands the depth and breadth of business, broadens the source of customers, enriches financial service scenarios, breaks through geographical and time constraints, realizes accurate service to customers, and brings new profit growth points to financial institutions; In terms of financial innovation, many new businesses triggered by financial technology have emerged in recent years, such as digital currency, mobile payment and quantitative investment. The development of financial technology has changed the competitive pattern and business model of financial market. Emerging financial technology enterprises provide more convenient and efficient financial services through innovative technologies and platforms, which poses a competitive threat to traditional financial institutions. This leads to the risk that traditional financial institutions will face the decline of market share and business income. In addition, financial technology also brings new lending models and risk pricing methods, such as P2P lending and digital credit evaluation, which may lead to changes in credit risk and make it impossible to accurately evaluate borrowers' credit and default risk. In addition, the collection, storage and processing of a large number of user data also increases the risk of privacy leakage and information security. Hacking attacks and data leakage may cause losses to financial institutions and customers and affect corporate reputation. Finally, because the innovative mode and business activities of financial technology go beyond the scope of traditional financial supervision, financial institutions need to ensure compliance and abide by relevant laws and regulations to avoid fines, penalties or litigation risks.

2.2 Impact on financial data risk

Financial big data is the basis for financial technology to solve business and management problems, that is, financial technology is actually driven by data. There are risks in the collection, storage, use and service of financial data. The rapid development of financial technology has a far-reaching impact on financial business risks and financial data security. Emerging technologies and innovative models have brought multiple challenges to financial institutions, such as market competition, technical loopholes and credit evaluation. At the same time, large-scale data collection and processing also increase the risks of data leakage, integrity problems and poor quality. In order to cope with these risks, financial institutions need to strengthen risk management and monitoring capabilities, establish sound data protection and privacy policies, abide by laws and regulations, and take effective measures to protect customer data security and privacy. Adapting to the changes brought about by the development of financial technology, actively embracing innovation and cooperating with regulatory agencies will help financial institutions enhance their competitiveness and achieve sustainable development.

3. Public opinion risk management strategy from the perspective of financial technology

3.1 Strengthen risk management and monitoring capabilities

Strengthening the ability of risk management and monitoring is a key measure for financial institutions in the face of diversified risks brought by financial technology. Therefore, financial institutions need to take a series of concrete measures to improve their risk management and monitoring capabilities, protect their own interests and maintain the stability and sustainable development of the financial system. First of all, it is an important step to establish a comprehensive risk management system. This means that financial institutions need a clear organizational structure, division of responsibilities and decision-making process in order to better manage all kinds of risks. These risks include market risk, technology risk, credit risk and security risk. In order to effectively manage these risks, financial institutions need to formulate corresponding risk management policies, processes and guidelines to ensure that risk management is fully covered. Secondly, financial institutions can use advanced technical tools and data analysis methods to enhance their risk monitoring and early warning capabilities. By establishing a real-time monitoring system, financial institutions can monitor trading activities, user behavior and data flow, find abnormal situations in time and take corresponding measures. At the same time, financial institutions can also use big data analysis technology to mine and analyze massive data, so as to find potential risks and trends and make effective risk management decisions. Establishing an effective risk reporting and communication mechanism is very important for risk management. Financial institutions should establish a mechanism for regularly preparing risk reports, and report key risks and risk management to senior management and the board of directors. At the same time, financial institutions should establish good communication channels with internal departments and external regulatory agencies, keep abreast of market changes and regulatory requirements, share risk information and best practices, and form a joint force to cope with risks. Financial institutions should regularly evaluate and review the effectiveness and adaptability of the risk management system, and make adjustments and improvements according to the actual situation. This includes regular review of risk management policies and processes, and continuous innovation and update of technical tools and data analysis methods. Cooperation with external professional organizations and trade associations is also important. We should learn from the best practices of other organizations and constantly improve our risk management and monitoring capabilities. By strengthening risk management and monitoring capabilities, financial institutions can better identify, predict and respond to diversified risks brought by financial technology, protect their own interests and customers' interests, and maintain the stability

and sustainable development of the financial system. The influence mechanism of financial technology on public opinion risk management is shown in Figure 1.

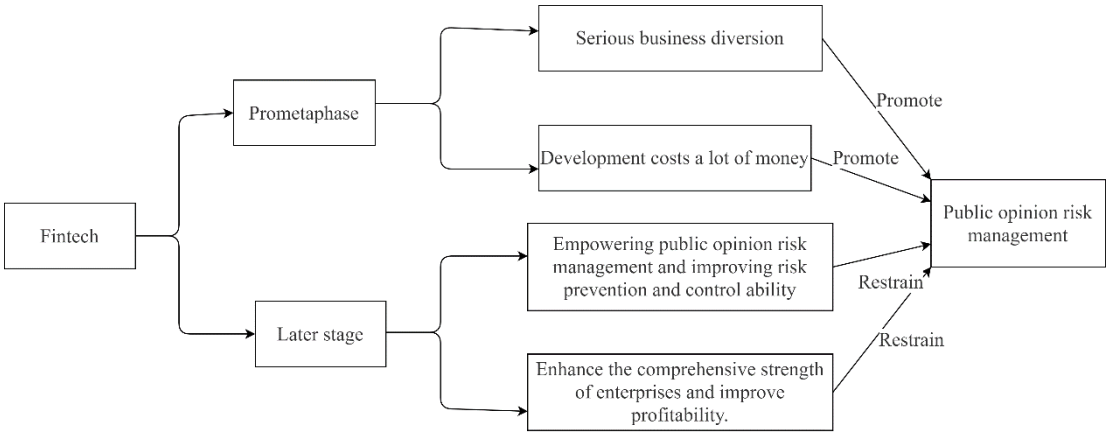


Figure 1 The influence mechanism of financial technology on public opinion risk management

3.2 Strengthen data security and privacy protection measures

Strengthening data security and privacy protection measures is very important for financial institutions. With the advent of the digital age, a large number of sensitive customer data processed and stored by financial institutions are facing higher and higher risks. In order to ensure data security and protect customers' privacy, financial institutions need to take a series of specific measures. First of all, establishing a perfect data security management system is a key step. Financial institutions should define data security strategies and policies and incorporate them into the company's overall strategic planning. The system should cover safety control measures from data collection, transmission, storage to destruction. Financial institutions need to conduct a comprehensive risk assessment and vulnerability scanning to find and repair possible vulnerabilities and security risks in time. Secondly, it is very important to strengthen the data security training and awareness popularization for employees. Financial institutions should regularly organize training courses on data security and privacy protection, enhance employees' awareness of data security risks, and strengthen their attention to data security and self-protection ability. At the same time, financial institutions need to establish a strict data access authority management system to ensure that only authorized personnel can access and process sensitive data, and monitor employee behavior to prevent internal data leakage. Financial institutions should use reliable encryption technology to encrypt, store and transmit sensitive data to prevent data from being illegally obtained during transmission and storage. Financial institutions need to establish an effective privacy management mechanism to ensure that the personal information of customers and users is properly protected. The following is a flow chart of a privacy management mechanism.

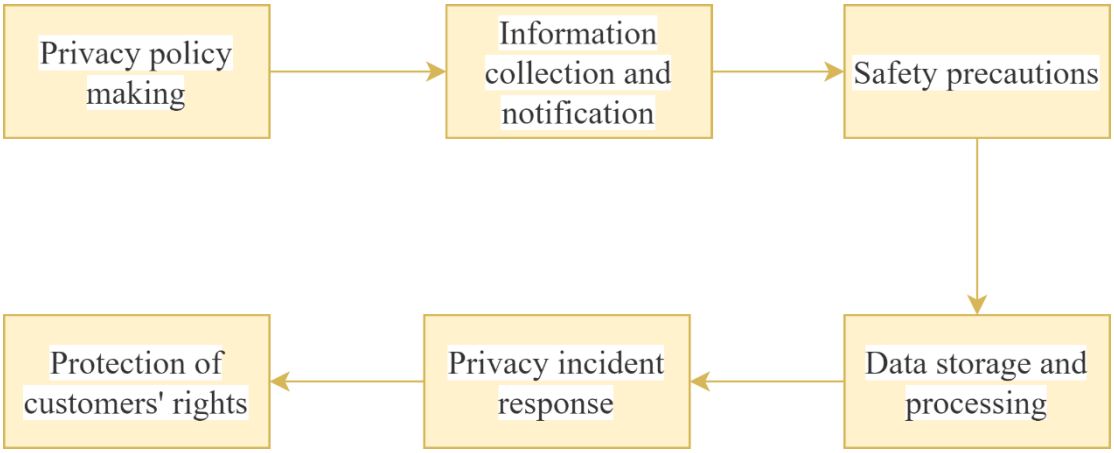


Figure 2 Flow chart of privacy management mechanism

Financial institutions should also regularly check the system security and fix loopholes to ensure the security and stability of the system. Financial institutions should formulate privacy policies and user agreements, clearly define the purpose and scope of data collection and use, and obtain the consent of users. In addition, financial institutions should regularly conduct privacy risk assessment and compliance review to ensure compliance with relevant laws, regulations and standards. Finally, strengthen data security and privacy protection with external partners and third-party institutions. Financial institutions should review and sign contracts with strict data security and privacy protection requirements to ensure that third-party institutions meet the corresponding security standards when processing customer data. At the same time, establish a supervision and inspection mechanism to regularly evaluate and review the data security and privacy protection measures of third-party institutions. By strengthening data security and privacy protection measures, financial institutions can effectively protect the security and privacy of customer data, enhance public trust in financial institutions, and maintain the stable operation and sustainable development of the financial system.

3.3 Strengthen compliance operation and regulatory communication

It is very important for financial institutions to strengthen compliance operation and regulatory communication. Under the ever-changing laws, regulations and regulatory environment, financial institutions need to maintain close communication and cooperation with regulatory agencies, ensure their compliance operations, and timely understand and adapt to regulatory requirements. First, establish a sound internal compliance management system. Financial institutions should formulate and implement internal compliance policies and processes that comply with laws and regulations, clarify the division of responsibilities and decision-making processes, and ensure the effective implementation of compliance requirements. At the same time, financial institutions should establish compliance risk assessment and monitoring mechanisms, conduct compliance risk assessment and internal review on a regular basis, and revise and improve compliance policies and processes in a timely manner. Second, strengthen communication and cooperation with regulatory agencies.

Financial institutions should actively participate in meetings, seminars and training activities organized by regulatory agencies to understand the latest laws, regulations and regulatory requirements. Communicate with regulators regularly, share their own compliance experience and best practices, and actively seek guidance and suggestions from regulators. In addition, financial institutions should also establish a regular reporting and notification system to report compliance to regulatory agencies and communicate potential compliance issues and challenges in a timely manner. Financial institutions can actively participate in activities and working groups organized by industry associations, communicate and share with peers, and jointly discuss compliance problems and solutions. Cooperation with professional institutions can also provide professional compliance consultation and training support to help financial institutions understand and respond to complex laws and regulations. Financial institutions should establish a compliance monitoring system to monitor and analyze all compliance indicators in real time, and formulate corresponding compliance reports and risk warnings. At the same time, financial institutions should also establish an internal compliance review and reporting mechanism to ensure that compliance is reported in time and corrective measures are taken in time. Finally, strengthen the compliance training and awareness popularization of internal employees. Financial institutions should organize regular compliance training for all employees, improve employees' knowledge and understanding of laws, regulations and compliance requirements, and enhance their compliance awareness and self-monitoring ability. Through internal publicity and awareness popularization activities, financial institutions can promote employees' attention to compliance and make compliance culture run through the whole organization.

By strengthening the communication between compliance operation and supervision, financial institutions can better understand and adapt to regulatory requirements, adjust their compliance strategies and processes in time, reduce compliance risks, and ensure their own operational stability and sustainable development. At the same time, close cooperation with regulators and industry

associations will also help to jointly promote the formulation and implementation of compliance standards and best practices in the financial industry.

4. Conclusions

With the popularity of the Internet and social media, the public can easily obtain and share all kinds of information, which has a direct impact on the reputation and image of enterprises. Negative news can spread quickly and bring serious public opinion risks to enterprises. At the same time, the change of user demand, the strengthening of government supervision, the fierce market competition and the improvement of public attention have further increased the complexity and diversity of public opinion risk. In the field of financial technology, public opinion risk management strategy is the key to protect corporate reputation and maintain business stability. By strengthening risk management and monitoring capabilities, strengthening data security and privacy protection measures, and strengthening compliance operation and regulatory communication, financial institutions can better cope with the risks brought by financial technology, and at the same time seize opportunities to achieve sustainable development. These measures will help financial institutions to raise their awareness of risk prevention, protect the interests of customers, maintain industry stability, and promote the innovation and development of financial technology.

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