

Analysis on the New Business Model of Internet Finance

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Abstract: Internet finance is a mode of providing financial services to users based on Internet technology. In today's world, with the continuous development of information technology and the continuous progress of Chinese society, Internet finance needs to build a new business model based on the new business environment to cope with the risks and challenges of the new environment. This paper takes the existing problems of Internet finance as the starting point, and puts forward suggestions and analysis for the innovation of Internet finance from three aspects: prevention and control mode, expansion mode, structural Function Mode.

Keywords: Internet Finance; Risk Prevention and Control; Financial Innovation; Financial Supervision

1. New Business Model of Internet Finance

The current development model of internet finance is essentially dominated by flow. If the development of the Internet finance industry only relies on flow to promote, in fact, it cannot meet the development requirements of the digital economy era. Therefore, innovating the business model of Internet finance has become the top priority of its development and maturity.

1.1 Prevention and control mode

At present, due to the extensive access to user information by Internet financial platforms, the risks exposed are more prominent, which also speeds up the pace of establishing an Internet prevention and control model.

In the field of Internet finance in the current data era, there are a large number of risks that threaten people's capital security. These risks can be mainly divided into two categories: one is legal risks. Legal risks refer to that some Internet financial platforms use legal loopholes to threaten the capital security of financial users in the field of Internet finance. For example, some financial platforms do not provide effective protection for user information after obtaining user information. The second is the credit risk. Although China currently implements a strict real-name system, the identity information of each Internet user is strictly examined, due to the continuous development of Internet technology and some irreparable technical loopholes, the verification of the user's real identity is relatively difficult.

Therefore, in view of the various risks existing in the field of Internet finance, accelerating the construction of a new credit and risk control system in the financial industry has become a major focus of the development of Internet finance. To build a new prevention and control model for the financial industry, we must first improve relevant laws and regulations. The relevant departments should fully consider the risks faced by the financial market in the era of big data, and improve the laws and regulations on the basis of existing laws in view of these risks. At the same time, the relevant departments of the government should give full play to their supervisory functions, fully implement the market access system, strictly investigate and assess the relevant qualifications of Internet financial platforms, and avoid illegal enterprises from interfering with the market order. Secondly, we should establish an effective credit risk prevention and control system and strengthen the control of credit risks. In the prevention of credit risks, not only the financial platform should strengthen the effective investigation of customer information, but also the customer should examine the qualification of the Internet financial platform to avoid economic disputes between the two sides of the transaction in the later period.

1.2 Expansion mode

We should extend the boundaries of financial market services and optimize the allocation of financial resources. At present, Internet finance is still dominated by the functions and attributes of traditional finance, and investment and financial management are still its fundamental attributes. The expansion model aims to transform finance from a relatively closed industry into a relatively open industry.

At present, the expansion of the development model of Internet finance includes not only the network extension of traditional financial business, but also the expansion of a new financial business model. Among them, the main representatives are the third-party payment and online credit. Due to its virtual level, the third-party payment is still inseparable from the support of banks. However, with the continuous expansion of its functional structure, the third-party payment will gradually evolve from the initial online payment model that establishes a connection between users and the bank's payment and settlement system to a new model that covers both online and offline. It can not only extend the service boundary of the financial market, but also provide huge technical support for optimizing the allocation of financial resources. In addition, the emergence of online credit is also an important service to expand the financial services market. The online credit platform uses the Internet to analyze customer transactions and consumption data, which can well meet the individual needs of customers. However, its emergence has also caused a certain impact on the traditional credit industry. The confidentiality of borrowers' information in online credit and the risk of some illegal credit platforms using the Internet to cheat borrowers have seriously disturbed the stable order of the credit industry, which once hindered the development of the credit industry on the Internet. In this regard, it is necessary to strengthen the innovation and expansion of the structure model of network credit to enable network credit to develop healthily. The Internet advantages of network credit can be used to supplement the traditional credit business of commercial banks, adapt to the new model of the development of Internet finance, and effectively expand the service boundary of Internet finance.

1.3 Structural Function Mode

In addition to the functions and attributes of investment and wealth management, the financial industry also needs to expand and extend new functions and attributes to ensure the sustainable development of portable payments and digital economy.

The Internet finance industry can optimize high-quality service experience according to the new needs of society. For example, at present, various Elderly Care Services Medical Services have become the focus of society, which also brings opportunities for Internet finance to optimize its structure and function. Internet finance can empower the financial industry in supporting livelihood projects by optimizing high-quality service experience. Taking strengthening the construction of an aging society as an example, Internet finance can take advantage of different role positioning of social capital in participating in strengthening the construction of an aging society to effectively force the major upgrading of Internet finance enabling services and expand the functional attributes of the Internet and meet people's different requirements for the aging construction through scene upgrading, such as promoting the upgrading of related consumption scenes such as "meta-universe+sports" and "meta-universe+culture".

The expansion of the functions and structural models of Internet finance aims to facilitate People's Daily life, and also provide an important driving force for promoting the healthy development of the economy. Promoting financial innovation and consolidating the foundation of Internet finance are important measures to promote the optimization of Internet financial structure. And measures are taken from many aspects to improve the Internet financial supervision system and build an important barrier for Internet financial security. In addition, the government can also focus on supporting the third-party payment and digital RMB and other financial services, which can not only lay a solid foundation for expanding the financial field, but also actively guide the coordinated development of regions of internet finance and promote the steady, healthy and sustainable development of Internet finance.

2. Problems Existing in the Application of New Business Models

The new business model applied by Internet finance can provide more convenience for people's future development, but there are still some inevitable problems.

Firstly, the risk of trading system is prominent. From the perspective of systemic risk, the emerging Internet finance has greatly improved the transaction efficiency through the application of the Internet and big data, but it has also accelerated the speed of risk transmission. For example, telecom fraud is a typical representative of the risk. After using the internet to defraud the victim of money, telecom fraud utilizes the speed and convenience of internet transactions to transfer the stolen money. At the same time, the efficiency of internet transactions is utilized to turn illegal property into legal property after multiple transactions, which also makes it difficult for the public security technology department to track the trace of the money once such cases occur. It is a difficult problem that exists in the development of internet financial transactions and cannot be fully overcome to this day.

Secondly, technical risks are difficult to avoid. From the perspective of technical risk and operational risk, although Internet technology has developed to a relatively mature stage, the Internet itself has irremediable technical defects, such as virus vulnerabilities and other network technology security problems. The security vulnerabilities in network technology have led to frequent incidents of illegal theft of trading funds when people use the Internet for transactions and other activities. Frequent occurrence of transaction funds by illegal theft and other situations. Network security technology problem is an inevitable technical problem of the Internet

itself. Although now the major network security institutions have studied these problems, there are still some problems that cannot be completely solved.

3. Optimization Measures

In the process of developing Internet finance, on the one hand, we should pay attention to its unique advantages. To develop Internet finance, we must respect the law of the market, constantly promote innovation, and strengthen financial supervision. For micro, small and medium-sized enterprises, it is necessary to focus on developing inclusive financial services for small and medium-sized enterprises, and further promote the convenient role of Internet finance for small and medium-sized enterprises. For the current problem of technical risks existing in the entire Internet, attention should be paid to the research and development of Internet financial technology, and technological innovation should be constantly carried out to provide technical support for the healthy development of Internet finance.

On the other hand, we should build an Internet financial prevention and control system, improve the Internet supervision system, use Internet platforms to promote Internet financial supervision, and conduct regular inspections of the daily operations of Internet financial enterprises, such as the detection of capital flow and direction. At the same time, we should improve the regulatory disposal mechanism, so that the regulatory authorities can deal with violations in accordance with relevant regulations. For the problems existing in the transaction of Internet finance, the relevant system should be improved in all aspects, such as the use of identity authentication, face recognition and other measures to clarify the identity of both parties to the transaction, and standardize the electronic contract of transactions. Internet finance has obvious advantages and disadvantages, and in the process of development, it is necessary to develop strengths and avoid weaknesses, allocate financial resources well, and better leverage financial advantages.

4. Conclusion

As an emerging mode of operation of the current financial industry, Internet finance is a supplement and innovation to traditional finance in the past. To build a new business model and propose optimization measures for the existing problems in the financial industry is a major goal of the new business model. And to meet the needs of users is the ultimate goal of Internet finance. Relying on Internet big data, transforming and upgrading the Internet financial industry can not only ensure the capital and information security of Internet financial users, but also optimize the allocation of financial service resources. It can also expand and extend the boundaries of the financial industry. The financial industry truly achieves "transformation and upgrading" with the support of the Internet, so as to better serve the real economy.

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