

The Influence of Internet Finance on Public Investment and Financial Management Concept and Countermeasures

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Abstract: With the rapid development of Internet information technology, the derivative Internet financial industry has gradually occupied a broad share in the financial market. This provides new investment channels and means for public investment and financial management, which not only promotes the realization of investment speed and convenience but also improves the effective circulation of public precipitation funds. The emergence of Internet finance has caused a certain impact on the traditional investment and financial management concepts of the public. This paper focuses on the public under the influence of Internet finance financial concept change, through the analysis of the potential reasons, and combined with the characteristics of Internet finance, put forward some suggestions.

Keywords: Internet Finance; Public Investment; Concept of Financial Management; Influence

1 Relevant theoretical basis

1.1 Theoretical basis

1.1.1 Internet Finance

Internet Finance (Internet Financial) combines the characteristics of Internet technology and finance, relies on cloud computing and big data to build an open and functional financial industry and corresponding service system on the Internet platform, takes the Internet platform as the foundation of the platform system, and creates a platform of information finance, platform finance, which is different from traditional finance. New financial models such as Inclusive Finance and Fragmented Finance.

1.1.2 Investment and financial management

With the expansion of the domestic financial market, the gradual enrichment of banking and retail business, and the increase of public income year by year, the concept of investment and financial management has gradually entered the vision of the general public. Investment and financial management refer to the rational allocation of funds, investors use funds to invest in financial instruments and then manage personal, family, and enterprise assets, so as to maintain and increase the value of assets.

1.2 The Impact Mechanism of Internet Finance on Investment and Financial Management

1.2.1 Innovation of Investment Mode

Technological innovation has led to changes in the mode of production. The innovation of Internet technology not only promotes the realization of convenience and rapidity of financial investment mode; Moreover, it has an indirect impact on the way of public investment and financial management. Kim Eun Sung (2010), in a survey on the influence of the Internet on

foreign investors, found that the most influential media information channel in the general life of Korean investors in Shanghai is the Internet, and 68. And 6% believe that information on the Internet has an impact on their daily lives. Wang Guobin (2013), in the investment of the Internet era, believes that the Internet has subverted the traditional way of mass investment and created a more fair, open, shared, and personalized investment platform. Ge Ruyi, Hu Rong (2020) In the impact of intelligent investment on investment behavior in the Internet financial environment, it is found that the use of intelligent investment will reduce the single investment amount of investors, increase the total investment amount of investors, and make investors risk preference tend to be conservative.

1.2.2 Change of financial consciousness

"Internet + Finance" technology drives the popularization of inclusive finance, and through the support of science and technology, it exerts a subtle influence on the public's new understanding and understanding of investment and financial management. Zhang Bo (2013), in the study of Internet financial management today and tomorrow, the fragmented financial management model represented by Yu'e Bao has become a new financial choice for the public. Xue Qiang (2014) In the survey of Chinese people's Internet financing situation, it is found that more than 60% of the people choose Internet financing, Internet financing is gradually becoming a new choice of public financing, and the market acceptance rate is constantly improving. Tencent Finance Tong, National Finance and Development Laboratory Research Group, Wang Zengwu, Tang Jiawei (2020) In China's Internet financial market: behavior, risk, and countermeasures-Internet financial index report, it is pointed out that Internet financial management is the main platform of the financial market, and the public mainly considers investment threshold, product income, and brand when choosing.

2. The development status of the Internet financial market

2.1 General Situation of Internet Finance Development

Relying on the support of Internet technology, the stock size of China's Internet financial market soared from 6.59 trillion yuan in 2007 to 135.4 trillion yuan in 2018, an increase of 20 times; The penetration level also increased from 24.79% in 2007 to more than 150% in 2018. Table 2-1 shows the stock size of China's financial market from 2007 to 2019 (hundreds of millions of yuan).

Year	Banking	Private banking	Trust plans	ker management	Public funds	Fund accounts	ures management	Private	use of insurance	Summary	GDP	Depth%
2007	0.9	-	0.71	0.08	2.23				2.67	6.59	26.58	24.79
2008	1.4	0.29	0.2	0.09	2.57				3.05	8.6	31.4	27.39
2009	1.7	0.82	1.98	0.14	2.45				3.74	10.83	34.09	31.77
2010	2.8	1.1	3.04	0.18	2.42				4.6	14.14	40.15	25.22
2011	4.6	1.88	4.81	0.28	2.19				5.52	19.28	47.31	40.75
2012	7.1	2.63	7.47	1.89	2.87				6.85	28.81	51.94	55.47
2013	10.2	3.6	10.91	5.2	3				8.28	41.19	56.88	72.42
2014	15	4.66	13.98	2.95	4.54		0.013	2.13	9.3	57.57	63.65	90.45
2015	23.5	6.32	16.3	11.89	8.4	12.73	0.1	5.07	11.18	95.49	66.67	143.2
2016	29.05	8.35	20.22	17.58	0.16	16.89	0.29	7.89	13.12	122.6	74.41	164.7
2017	29.5	9.05	26.25	17.37	11.14	14.38	0.24	10.32	14.92	130	82.71	157.2
2018	32	9.05	22.7	16.12	12.64	11.61	0.19	12.79	18.33	135.4	88.04	153.8
2019	32	9.05	22.53	12.53	13.46	10.94	0.13	13.33	15.7	129.7	90.18	143.8

Table 2-1 Stock size data of financial market (hundreds of millions of yuan)

2.1.1 The scale of Internet payment and settlement is expanding

Since 2009, the scale of Internet payment has been showing a linear upward trend, of which the transaction volume in 2009 was 3 trillion yuan, breaking through 24.1 trillion yuan in 2014, and by 2019, the number of users using Internet payment in China has exceeded 700 million, up to 733 million; In the first three quarters of 2019, the number of payment transactions reached 25.22 billion yuan. At the same time, the scale of Internet payment and settlement business is gradually updated, in addition to daily transaction settlement, remittance transfer, but also derived from online financial management, online ticket purchase, and payment of utilities and other businesses.

2.1.2 Rapid growth of Internet financial products

The continuous development of the Internet financial market has prompted financial institutions to launch financial products suitable for different customers and application scenarios, mainly including third-party payment products, P2P network lending products, investment, and financial products. In 2020, relying on the support of the Internet platform, the scale of capital circulation in the Internet financial market exceeded 10 trillion yuan, occupying a broad market in the financial market. Among them, the fund market is more than 600 billion yuan, the overall market scale of online loans is more than 600 billion yuan, and the innovative market scale of financial institutions is 200 billion yuan.

The type of pattern	The pattern feature	Typical forms of expression
Information services for financial institutions	Traditional financial business information, electronic, customers can directly through online banking and other ways to complete financial business	Online banking
Third-party payments	Non-bank institutions contract with banks to establish online electronic payments, supporting online and offline models	Alipay
Big Data Finance	Personalize financial services for your customers with the information provided by big data mining	Ali Financial
Internet financial portal	Users on this platform, through the display of financial products comparative analysis, choose the right financial products for their own	News.com.com
P2P	Through the Internet platform to achieve loan matching, it includes online mode and offline mode two models	Everyone's loan

Figure 2-1 Main Mode of Internet Finance

2.2 Characteristics of Internet Finance

2.2.1 Internet finance operation cost is low

Compared with traditional finance, Internet finance reduces the cost of construction and management of physical outlets, and financial demanders can quickly find the products they need through the virtual Internet platform and understand them comprehensively, so it can greatly reduce the cost of waste caused by information asymmetry.

2.2.2 Internet financial services are more efficient

With the help of the powerful processing capabilities of the computer, and its operation can be more standardized and standard so that consumers can reduce the queuing time, speed up the business processing speed, and consumers can get a better experience.

2.2.3 Internet finance covers a wide range of areas

Thanks to the Internet financial model, customers can easily use the Internet to find the financial products they need without time and regional restrictions, so the service is more targeted than the traditional one, so it can get the favor of customers. At present, Internet finance covers the traditional blind areas of financial services, which can optimize the allocation of resources to a large extent and better serve the development of the real economy.

2.2.4 High Risk of Internet Finance

The risk types of Internet finance mainly include credit risk, reputation risk, liquidity risk, information leakage risk, and technology security risk. Among them, the impact of credit risk is relatively large. China's Credit Supervision System At present, it is not in the stage of continuous improvement and can not radiate to the whole society and the whole industry. Internet finance has also brought negative problems, such as illegal fund-raising, network fraud, malicious loan fraud, and so on. China's network security construction is constantly strengthening, but there are still some loopholes, which can easily lead to network financial crimes.

2.3 Advantages and disadvantages of Internet finance

2.3.1 Internet Financial Advantage

(1) Inclusive Finance

The popularization of Internet finance promotes the development of finance to inclusive finance, provides more real-time and convenient financial services for the public, and realizes the effective understanding and application of finance for the public.

(2) Precision Finance

With the technical support of cloud computing and big data, precision finance can establish customer model more accurately through data analysis; It can also understand the needs of customers more accurately according to the data, provide the required services for financial users in time, and guide the Internet financial services to be accurate and efficient.

(3) Safety Finance

Through computer technology and blockchain technology, Internet financial enterprises can trace and verify the relevant credit information of customers in time, so as make use of the obtained information, effectively adjust the scheme, and improve the control and supervision of financial risks.

2.3.2 Disadvantages of Internet Finance

(1) The regulatory system needs to be improved

Due to the low entry threshold, a large number of employees and participants, and other factors, the Internet financial industry is active in many companies with poor development strength and lack of corresponding qualifications, which brings many uncertain and potential risks to the next development of Internet finance.

(2) Product risk problem

The liquidity problem is the biggest restriction factor affecting the development of Internet financial products. Taking Yu'e Bao as an example, customers can access their funds in Yu'e Bao anytime and anywhere, without access threshold and amount limit. Once customers withdraw funds from their accounts, the official needs to allocate funds from their accounts,

and if the cumulative amount of funds withdrawn by customers exceeds the scope that the official can bear, Alipay will have liquidity problems.

(3) The phenomenon of product homogeneity is serious

The rapid progress of the Internet is to promote the development of the Internet financial industry innovation power, at present China's financial market, all kinds of Internet financial platform occupied more than half of the market. However, the financial products provided by these financial platforms are the same in product content, operation mode, and market group positioning, and the phenomenon of homogeneity is extremely serious.

2.4 The Impact of Internet Finance on Public Investment and Financial

Management Concepts

2.4.1 Raising awareness of financial management and predicting investment

risks

With the deepening development of Internet finance, the types of financial products are also increasing, and the public's understanding and understanding of investment and financial management are becoming more and more in-depth. With the help of information technology, the channels and ways of financial management that the public can access are not constantly broadened. Utilizing the Internet, Internet financial users can predict the risk of investment through information channels on time.

2.4.2 Adjusting investment methods and optimizing financial management

structure

With the development of investment channels and modes, Internet financial users can invest not only in traditional bank savings but also ineffective allocation and decentralization of funds, timely adjustment of the proportion of venture capital investment, effective reduction of investment risk, and increase of investment returns.

2.4.3 Changing investment concepts and improving financial literacy

The vigorous development of Internet finance provides new investment and financial management options and channels for the public, directly or indirectly affects the public's financial management concept, improves the awareness of rational planning of their funds, and adjusts the allocation proportion of investment. To a certain extent, this has improved the public's financial literacy, financial risk tolerance, so that the public has a deeper understanding of financial management.

3. Suggestions and Countermeasures for Internet Finance Guidance to

Mass Finance Market

3.1 Strengthening Industry self-discipline and supervision construction

The supervision departments of the government and financial institutions should gradually update the protection of consumer rights and interests, establish and improve the corresponding mechanism, and guide the realization of the self-discipline of the Internet financial industry with the help of the whole social forces. While fulfilling their obligations, Internet financial institutions also need to improve the standardized management of terms in product publicity to ensure that

customers can fully understand the specific information of products. Besides, Internet financial enterprises should also do a good job of information confidentiality, privacy information, transaction information, and other information for users.

3.2 Perfecting Credit Mechanism and Realizing Information Sharing

The government takes the lead in establishing and improving the credit system, helping financial institutions to achieve transparency, openness, and sharing of credit information resources with the help of user's information, behavior habits, and financial habits, and providing more accurate and detailed services for users in an all-round and meticulous way.

3.3 Construction of the rights protection system to protect consumer rights and interests

With the rapid development of Internet finance, relevant departments should establish and improve the mechanism of customer rights protection in real-time, protect the legitimate rights and interests of consumers, and promote the effective implementation of financial laws and regulations. The government needs to formulate and promulgate the corresponding laws and regulations system to ensure the comprehensive and effective construction of the rights protection mechanism. At the same time, institutions should establish channels for consumers to complain in time, improve the corresponding mechanism, ensure timely communication and handling of complaints, and provide an efficient guarantee for financial supervision departments to carry out complaint management.

3.4 Reasonable investment and rational financial management

Internet finance drives the realization of public investment conveniently and quickly, but users should rationally plan their financial management plan, rationally allocate funds and rationally manage financial affairs according to their financial situation.

Conclusion

Digitalization, networking, informatization, intelligent technology, and industrial transformation, promote the vigorous development of Internet finance, promote the continuous innovation of financial science and technology. The innovation of financial science and technology not only reduces the cost of financial services, opens up new perspectives of financial services, and improves the level and efficiency of financial service, but also promotes the development of the domestic financial industry to facilitate, digitalize, and intelligence the reform, directly or indirectly promoting the influence and competitiveness of domestic Internet finance. This also helps to break through the restrictions of traditional financial management and guide the public's concept of investment and financial management to adapt to the development of Internet finance.

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