

Research on the Development of Financial Institutions based on Internet Financial Market

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Abstract: This paper mainly compares the four main modes of the development of the Internet running mechanism for writing purposes. Through the analysis of the status quo of the industry, the ecological environment and the comparison of the institutions in the financial industry, the four main development models of the Internet financial institutions are studied. The main research methods used are observation method, case study method, comparison method, experience summary method, qualitative analysis method.

1. INTRODUCTION

Internet finance overnight in the rain likes a spring-like to emerge in front of us. The balance of treasure, commission money, change money and other large-scale Internet financial products into the financial market, so that the people fully enjoy the diversification of financial products at the same time, but also to the traditional financial institutions have been a serious blow, a financial revolution Ready to come out. Internet finance is a combination of financial and Internet products, the financial Internet as a carrier of a new model. With the human society into the Internet age, cloud computing, social networks, search engines and mobile payment and other modern information technology means will have a fundamental impact on the financial industry and impact.

In the financial market we see "flowers in full bloom", the new financial order gradually formed. Traditional financial aircraft carriers and emerging Internet financial institutions, and Internet companies and traditional financial institutions are included in the combination, who can not escape the impact of the times brought about by change. Traditional financial institutions are large in volume and have deep channel, and have many inherent advantages, such as CITIC Securities, Hai Tong Securities, Insurance Industry, China Ping An, China Pacific Insurance, China Life; trust companies in the financial trust, the new era of trust. The traditional financial industry giants, always in China's financial industry in the top of the food chain, can not shake. With the main investment in new products, P2P investment and financing enterprises for the first representatives of the new financial institutions continue to appear, the

traditional financial market cake has been carved up. Alibaba as the representative of the Internet financial institutions have begun to force, "Alipay" for Alibaba laid a good business foundation and market influence, and then formed a strategic alliance with the Tianhong Fund launched the "balance", the final acquisition of Tianhong Fund officially To enter the financial industry, the overall situation is very rapid, as the traditional financial institutions have just realized the danger, was the Internet financial model to snatch a large profit. The same case, in the securities, insurance and other financial sub-sectors has also been verified. There is a word in the theory of capital. "The skills of the bee building hives make many architects ashamed of the world, but the architect of the whole foot is from the beginning of the clever bees, It is already built in the minds of the beeswax building. "Fi This sentence also adapts to the financial market of my circle, and after the big body gradually reacts to its own potential threat, it will start a violent Counterattack. Far from the current financial situation will have an impact, the study that the current Internet financial institutions want to continue to expand their market will be difficult.

2 ANALYSIS OF THE ECOLOGICAL ENVIRONMENT OF INTERNET FINANCE

China's Internet financial institutions are to start later than the European and American markets, as of now no more than 15 years, is still in its infancy. It began to pay the network earlier, and the Internet banking market has just started, but three years time. Compared to the Internet financial institutions, the same is true. Alibaba's Alipay as a third party to pay the network to pay the leader has now begun to take shape. The overall size of the network payment is small, but the potential is huge. 2013 The second quarter, the mobile payment market for the first time breaking the amount of 100 billion. In the network financial market, the balance of treasure as the representative of the various types of network financial products such as the spring after the spring-like appearance, not only to promote the development of the fund industry, but also to speed up the process of China's interest rate market, and various institutions are still in The initial stage of the start. But from the other side can be understood that China's Internet financial institutions in the future

development of space will be very large, and the speed can be used for a day to describe is not an exaggeration. Below, will be divided into large-scale, standardized and growth of three aspects of the development of China's Internet financial institutions. At present, the Internet financial institutions of the competitive landscape is pyramid shaped, Alibaba and Tencent should be ranked in the first echelon, at the top of the pyramid. Suning, NetEase, Jingdong and other traditional electric business ranked second in the echelon. And three six five network, should be wealth and so ranked third in the echelon.

Ali relying on electricity business platform bigger, in many Internet companies will pay the account, platform and financial background combined with the best, into the financial sector is also a matter of course. At present, Ali's financial business chain is relatively complete, covering small loans, Internet finance, consumer credit, supply chain financing, insurance, cornucopia, etc., the future may further into the securities, banking, trust areas. Tencent relying on social platform bigger, in the payment of accounts and platform effects with other companies unparalleled advantages, although the financial background is relatively weak, but the channel from the channel into the financial industry is easier, in addition to "three horse with slot" into the insurance industry, And the State Securities to find a strategic cooperation in the securities industry, but also through the micro-channel counterparts, such as Huaxia Fund and other companies into the field of monetary funds. In the second camp of the princes, including peace, Jingdong, Suning, Oriental Fortune, Baidu, Sina and other companies. This type of company is characterized by payment of accounts, platform effects and financial scenarios are not complete or comprehensive effect is weak. Jingdong, Suning, Oriental wealth with three conditions, but the overall effect is less than Ali and Tencent; Baidu and Sina have a platform effect, but in the presence of the Internet, but with the platform, Payment accounts and financial background is relatively weak. The second camp of the Internet companies because of the advantages and disadvantages of different, involved in the path of different financial, make up short board is the focus of such companies follows the growth of the focus.

3 COMPARATIVE ANALYSIS OF THE DEVELOPMENT OF FINANCIAL INSTITUTIONS IN INTERNET FINANCE

From the perspective of the development of the Internet and the traditional financial institutions, both of them have an irreplaceable advantage, but there are also very obvious disadvantages. Traditional financial institutions in our country take root for decades and already have their own survival mode, a bank dominance, insurance, securities, trust and other flourishing pattern deeply rooted. China's traditional financial institutions hold the absolute majority of

China's high-end resources, almost every institution behind have a very tough background, or even about eighty percent of the major shareholders of China is China's state-owned enterprises. The other hand, Internet financial institutions, basically eighty percent of the institutional shareholders are private enterprises and individuals, or by small micro private enterprises grow up. Internet financial institutions are not dominant, but why is the current Internet financial institutions to seize the traditional institutions of the market? This study believes that although the background, the Internet financial institutions are not dominant, but acquired efforts to get the marketing channel advantages and Derived resource advantages, is the traditional financial institutions unmatched. The following study will be for the Internet financial institutions and traditional financial institutions in the scale, profit and other aspects of comparative analysis.

Ali's mouth Ma said: "The future of the financial have two major opportunities, one is the financial Internet, the financial industry to the Internet; the second is the Internet finance, pure lay leadership, in fact, many industries are outsourced to the innovation The financial industry also need to save the Bureau, but also need those outsiders to come in to change." Ma as one of the best entrepreneurs in China, profoundly reveals the Internet financial institutions and traditional financial institutions, what is the future of financial Industry's biggest uncertainty. It can be observed that with the rapid rise in the business of Internet financial institutions, traditional financial institutions have begun to realize that the development crisis and began to gradually small change, involved in the Internet financial business. In fact, the traditional financial institutions are the first to try the Internet financial business, such as the bank's online banking, securities of the Internet client. But because of the traditional institutions of thinking limited, and did not extend the concept of the Internet, leading to the current passive situation. In contrast, Internet financial institutions, mostly Internet companies through the extension of development, through cooperation, etc. into the financial industry, it touches on the substantive results. Although it seems that the current Internet financial hot enough to sweep people's computer phones and other clients, but in essence, can not really shake the bank's gold floating position. In the future competitive landscape, the traditional financial institutions will continue to grasp the financial core also services at the same time, explore the Internet technology support, will further accelerate its strategic adjustment, the pace of service transformation. This is a challenge to the current development model of Internet financial institutions. Only by virtue of the number of Internet users and traditional institutions with the "rough expansion" alliance to continue to develop their own financial business, delivery mode will usher in the test.

4 DEVELOPMENT MODEL OF INTERNET FINANCIAL INSTITUTIONS

Internet financial institutions of their own positioning is very important, it not only affects their own future development path, but also to a certain extent, determine their own development model. The so-called self-positioning, that is, Internet financial institutions according to their own advantages and disadvantages of horizontal and vertical comparison, and then in two or more dimensional perspective clear their position. Horizontal comparison is the comparison between the Internet funding agencies, vertical comparison is the Internet financial institutions and traditional financial comparison. Horizontal comparison, that is, with the Internet financial industry to compare the other institutions. First of all to analyze their own in the Internet Golden floating industry chain position, is the manufacturer, service providers, vendors or in the more sub-sectors of the industrial chain. From the market share, product service rate, sales channels, financial statements, personnel composition and other aspects of comparative analysis, and then finds their own advantages and disadvantages. The more dimensions of comparison, the more accurate the orientation of the landscape itself. Internet financial industry is a sub-sector of the financial industry. The significance of vertical comparison is to allow Internet financial institutions to more fully aware of their position in the whole financial industry. In the case of longitudinal comparisons, the market share is still analyzed in terms of market share, but there may be a deviation from the fact that the traditional financial sector is not at the same level. But the meaning of vertical comparison is that at least know where the general position in the whole industry where.

The composition of the development model is the accumulation and arrangement of its constituent elements, which constitute the main factors of the development model. This paper argues that it can be divided into two categories: products and services, income and cost. The products and services will be divided into market access and development barriers, target market and product system, customer experience and service; income and cost related to profit model, profit source, operating costs. These main factors constitute the development model of an Internet financial institution. The combination of the factor is in different combination, but also constitutes a different development model. Internet financial institutions should be for their own situation, condemnation, choose more suitable for their own development model.

5 CONCLUSION

At present, it is the time of the development of Internet financial institutions in China. This is the era of competition and integration between Internet financial institutions and traditional financial institutions. It is the era of advanced overseas Internet

financial institutions, "whichever is the essence and bad". Under the current situation, in the face of future opportunities and challenges coexist in the economic environment, Internet financial institutions must have a clear positioning, choose their own development model and build a long-term development of the blueprint.

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