An Analysis of Jd's Financing Process for Supply Chain Companies: Based on the Symbolic Interaction Theory

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ABSTRACT. Jingdong(JD), Suning, and Alibaba, the leading IT companies in China, have started to cooperate with small and medium-sized enterprises (SMEs). SMEs have brought huge profits to e-commerce, and e-commerce has provided assistance to the development of the financing of SMEs. This paper studied the case of Jingdong from the perspective of symbolic interaction theory. JD is the most successful funding model with more than 160,000 SMEs participating in its own supply chain by 2017. By clarifying the development process of JD supply chain financing, we find that the JD supply chain financing process is mainly divided into two phases: the bank-enterprise cooperation phase and the self-operated financing phase. The initial stage of JD's supply chain financing business is to start business cooperation with banks. The source of financing funds is mainly provided by banks and other financial institutions, which is called the “bank-enterprise cooperation” stage. At this stage, JD as a core company helps its SMEs obtain a certain amount of financing from banks through its own credit rating and the real transaction orders of JD.com supply chain. The financing methods mainly include four types of entrusted loan, order loan financing, warehouse receipt pledge financing, and accounts receivable financing. The products belonging to JD's self-financing stage are: JingXiaoDai, YunCangJingRong, JingBaoBei. It succeeded in increasing the market share of the same industry by providing funding in the same way.

KEYWORDS: Jd supply chain financing process, Jingbaobei, Jingxiaodai, Symbolic interaction theory, Yuncangjingrong

1. Introduction
1.1 Research Background

As an important part of China's market economy, small and medium-sized enterprises (SMEs) play an irreplaceable role in promoting employment, accelerating technological innovation, and improving market efficiency. According to 2018 statistics, the total number of SMEs in China exceeded 370,000, accounting for more than 97% of the total number of Chinese enterprises, and their total output value accounted for about 60% of GDP, creating 75% of jobs. However, due to the small scale of SMEs, their low fixed assets, the asymmetry of information, and the low credit reporting system, financial institutions face SME financing approval procedures that are difficult to review, have long cycles, and have low credit. Financial institutions consequently believe that SMEs have high financing costs, are difficult to manage and return low profits, which makes it difficult for SMEs to obtain loan support. There's another situation, the development of Internet technologies has driven JD, Suning, Alibaba and other Chinese e-commerce companies into a climax period. These SMEs have brought huge profits to e-commerce, and e-commerce has provided assistance to the development of the financing of SMEs. All companies have created a situation of common development and mutual promotion. By the end of 2017, the total number of merchants joined in JD.com had exceeded 160,000, allowing its financing business to develop rapidly, and it was called one of the most successful supply chain financing model by the industry. According to the data released by China's Prospective Industry Research Institute, the scale of China's supply chain financing market was 1 trillion billion yuan in 2015; the scale of China's supply chain financing market reached 14.42 trillion yuan in 2017, and 17.5 billion yuan in 2018. The report predicts that the scale of China's supply chain financing market will reach 27 trillion yuan in 2020. We believe that studying JD supply chain financing has great economic value, and the most important thing to analyze JD supply chain financing is its financing process details and operating mechanism. Whether the financing companies and financial institutions communicate smoothly will ultimately affect the financing results.
1.2 Literature Review

Most research on supply chain financing in China has mainly been qualitative and case-study focused, with only a few empirical studies aimed at establishing models or survey data. Most of these empirical research results focus on scientific research capabilities in university, we screened 47 papers on supply chain financing based on the data cited in the papers, and screened 22 papers using JD supply chain financing as a case study based on topic relevance. Existing studies mainly focus on the supply chain financing concept, model and risk control.

Timme first proposed the concept of supply chain financing, defining it as integrating logistics, information flow, and capital flow to cooperate with external financial service providers who provide funds in the supply chain. Demand-side financing is provided to achieve goals (Timme, 2000). In the process of supply chain operations, core companies control financing costs by integrating information flow. Supply chain financing allows SMEs to obtain funds and reduce financing costs. This is the basic role of supply chain financing (Evans, 2010). In addition, supply chain financing can also be summarized as the cooperation between participants in the supply chain and financial service providers outside the supply chain, so that financial resources can effectively flow between organizations and achieve common goals (Hoffmann, 2005). And China's definition of supply chain financing is mainly the combination of business flow, logistics and finance. It is the integration of logistics, business flow and capital flow in the transaction process, so that small and medium-sized enterprises, third-party logistics and financial institutions are linked together to promote supply chain capital flows (Song Hua, 2015), supply chain financing treats each participant as a whole and provides financial services to small and medium-sized enterprises that are upstream or downstream through appropriate supply chain financing models (Xu Guangyan, 2016).

Supply chain financing provides a new way to solve the financing problem of SMEs. It will play a more important role in the future of the deepening development of the supply chain production model of outsourcing services (Luo Wensheng, Wang Qifei, 2011). We need to combine supply chain financing, give full play to the characteristics of intellectual property pledged assets, and expect supply chain financing to become a new way to solve the financing of SMEs (Bai Shaobu, 2010). Traditional supply chain financing is generally through the evolution of profit models, improving growth drivers, and enhancing service design concepts to optimize financing models(Du Jun, Han Zihui, Jiao Yuanyuan, 2019). Now, China's supply chain financing companies have widely applied supply chain financing models to B2B e-commerce, effectively improving the comprehensive economic benefits of financing business stakeholders, and providing new ideas for SME financing that are different from traditional financing models (Li Weiyi, Ma Hanwu, 2011). The development of supply chain financing under this new financial model fully adapts to the development trend of China's Internet finance and meets the requirements of China's implementation of supply chain financing development strategies, so supply chain financing products have been innovated and promoted (He Yi, 2013).

There are risks in the business development model of any enterprise, solving risks require unique operating models and risk control mechanisms(He Qiaodan, 2016), such as the authenticity of supplier data, the status of supplier operations, and the efficiency of data processing on the platform(Wang Wei, 2019). In addition, information asymmetry and supply chain financing will also bring financing risks. It is necessary to manage the supply chain financing risks by improving the credit management information system, increasing information sharing and emergency response mechanisms, and assessing the risk of credit entities (Wang Lingbin, 2006). In the actual operation of financial institutions, often because of the potential risks to companies in the supply chain, the ability of core companies in the supply chain to control upstream and downstream companies, and the low qualification of logistics companies and related intermediaries, commercial banks are unwilling to provide financing services to SMEs in the supply chain (Li Hao, Huang Xiaofeng, 2014). Banks need to reform the credit model and simplify the financing process and our government needs to create a good market environment and promotes the development of supply chain financing (Mou Weiming, 2014).

1.3 Literature Summary

Many scholars believe that supply chain financing provides capital guarantees for the development of Chinese SMEs, and gives enterprises opportunities for technological innovation. However, from the analysis of existing results, we find that: Research with high academic value is mainly concentrated in the period before 2015. Many of the academic achievements in this part were published in core Chinese journals, and are highly original and highly cited. The academic achievements after 2015 are mostly derived from graduate degree dissertations, and most of them are published in general journals. Research of China's supply chain financing is still narrow in content, and the
analysis objects are mainly concentrated between financial institutions and enterprises, financing models, risks and risk management. No new theoretical models have been proposed to explain new perspectives on supply chain financing; most of the research methods adopted by researchers have used qualitative research techniques, while quantitative methods have rarely been used.

2. Theoretical Basis and Research Design

2.1 Theoretical Basis

Symbolic interaction theory is a concept in the field of sociology, and is derived from of American pragmatist philosopher G.H Mead. His student, American sociologist H.G. Blumer, made symbolic interaction theory being stood out as a coherent theory. E. Goffman is the main representative of symbolic interaction theory. Symbolic interaction theory is an important theory included in the theory of social interaction, and has continued to have an important influence in the study of the interaction between people and society. Symbolic interaction theory explores the mind, self, and society from the level of individual-social interaction. Its basic assumption is that people's actions on things are based on the meaning of these things to people. Meaning does not exist in these things, but comes from the interaction between an individual and his/her companion. When the individual is dealing with the things he encounters, he uses and modifies these meanings through his own interpretation.

The theory of symbolic interaction believes that people live in an environment of symbols and actual space, and individuals have the ability to stimulate others through the platform of symbols, which is different from self-stimulation. Communicating through a symbolic platform, individuals learn a lot of valuable and meaningful things from others, including ways of acting.

![Fig.1 Symbolic Interaction between People](image)

2.2 Research Design

2.2.1 Definition of Concept

The behaviours of any organization is ultimately founded on person-to-person interaction. We have applied and evolved the interaction into the research of JD supply chain financing. In this study, what we call “financing enterprises” refers to SMEs that need financing. We believe that during the financing process of JD supply chain, the interaction described by the above-mentioned symbolic interaction theory also occurs between financing companies and financial institutions; that is, the SMEs and financial institutions that need financing have interacted in the special context of financing. Therefore, in the supply chain financing process, through a communication platform, let financing companies and financial institutions understand and communicate with each other to help financing companies achieve self-stimulation and internalization processes to ensure that financing companies and financial institutions achieve the same situation in the same situation, Exchanges and successfully completed financing. This kind of interactive behavior that helps financing companies and financial institutions successfully realize the meaning of financing can be called benign interaction.

Of course, no symbolic meaning can be achieved very easily by any interaction. That is to say, in the process of interaction, in addition to benign interaction, there is also non-benign interaction. It is the existence of non-benign interactions that disrupts the normal path to realize the meaning of symbols; that is, financing companies and financial institutions cannot successfully realize the meaning of symbols of financing in the process of interaction, and this type of financing behavior that cannot achieve the meaning of symbols is collectively referred to as benign interaction may explain the risk phenomenon in financing interaction.
2.2.2 Research Hypotheses

We believe that the relationship between financing companies and financial institutions is similar to the interaction model between people as proposed by the symbolic interaction theory model. This is the basic assumption of this research (Figure 2). In the JD supply chain financing model, we draw a flowchart based on the JD supply chain financing model business and explain the interactive behavior in the flowchart.

Fig. 2 Interactive Relationship between Financing Companies and Financial Institutions through Communication Platform

Fig. 2 Shows That the Factors That Affect the Positive Interaction between Financing Companies and Financial Institutions Include Three Aspects: Financing Companies, Financial Institutions and Communication Platforms.

Understanding the interactive relationship between financing companies and financial institutions is important for helping financing companies operate successfully and for promoting the healthy and orderly development of financing companies. Therefore, financing companies have naturally become factors that affect their interaction with financial institutions. Financing enterprises can contribute to society in terms of promoting the development of the national economy and increasing employment. This will inevitably lead the government's financial institutions to pay attention to SME financing and formulate some more favorable financing measures to avoid Non-benign interactions from occurring, forming a virtuous cycle.

The rapid development of financing enterprises has benefited from government policy support, and the realization of financing policies mainly depends on financial institutions. From this point of view, financial institutions have played a pivotal role in the development of China's SMEs. Small and medium-sized enterprises have an increasingly important position and role in the national economy. However, due to innate and acquired factors, they are at a disadvantage in terms of financing, and it is difficult to compete fairly with various large enterprises. Because of this, financial institutions need to support the development of SMEs and solve the problem of financing difficulties for SMEs.

When the financing companies and financial institutions interact with each other to realize the meaning of the financing symbol, we should note that many times there is not a direct face-to-face exchange between the government's financial institutions and financing companies, and there is a communication platform for financing services for SMEs. In our research, this communication platform mainly refers to the financing platform of JD.com's supply chain, which feeds the financing needs of financing companies to the government's financial institutions, which can then understand the operating dynamics of financing companies in a timely manner, thereby generating positive interactions relationships to ensure successful financing. Therefore, the communication platform, as a bridge between financing enterprises and government financial institutions, has become an indispensable influencing factor in the interaction between financing enterprises and financial institutions.

3. Interactive Model of Financing Enterprise and Financial Institution Financing

JD supply chain financing process is mainly divided into two phases: the bank-enterprise cooperation phase and the self-operated financing phase. The initial stage of JD's supply chain financing business is to start business cooperation with banks. The source of financing funds is mainly provided by banks and other financial institutions, which is called the “bank-enterprise cooperation” stage. The financing methods mainly include four types of entrusted loan, order loan financing, warehouse receipt pledge financing, and accounts receivable financing. The products belonging to JD.com's self-financing stage are: JingXiaoDai, YunCangJingRong, JingBaoBei.

3.1 Entrusted Loan Financing
The service objects of the JD entrusted loan financing model are mainly JD Merchants in the JD supply chain. First, JD.com will evaluate the credit rating of JD Merchants based on the transaction data and determine the amount of guarantee. JD.com and the bank will sign an entrusted loan agreement to agree on the responsibilities of both parties. JD.com's responsibilities are: credit rating of JD.com merchants, reviewing loan eligibility, and providing loan funds; the bank's responsibilities are: issuing loans in accordance with entrusted agreements, monitoring loan usage after lending, and recovering principal and interest. The three-party interaction is shown in Figure 3.

![Fig.3 Interactive Relationship Flowchart Diagram of Entrusted Loan Financing](image)

Entrusted loan financing interactive behavior description:

1) Apply for a loan. JD Merchants apply for loans from JD by virtue of transaction orders or other documents, and sign entrusted loan agreements.

2) Examine qualifications. JD.com is the subject of the review, and the basis of the review is: JD's credit rating for JD.com merchants.

3) Notify lending. After passing the examination, JD.com issues a notice to the bank to grant the loan.

4) Disbursing loans. After receiving the loan notice, the bank reviews the entrusted loan agreement and issues the loan if it passes the approval.

5) Repayment and interest payment. JD's merchants will repay the principal and interest according to the agreement after receiving the loan. At this stage, the bank will supervise and inspect the use of funds and the repayment of interest and principal by JD's merchants.

6) Recover the loan. The bank recovers the loan according to the agreement and returns it to JD.

3.2 Order Loan Financing

JD’s merchants are prone to capital turnover in the procurement of raw materials, product production, and product shipment. JD's order loan financing model is the financing service provided by JD.com for JD Merchants in raw material procurement, product production, and product shipment. JD.com assesses the credit risk and credit limit of its merchants based on their real transaction information, and provides financial services based on the evaluation results. The three-party interaction is shown in Figure 4.

![Fig.4 Interactive Relationship Flowchart Diagram of Order Loan Financing](image)

Order loan financing interactive behavior description:
1) Sign the order. JD Merchants and JD sign a purchase order, but in a few cases, JD Merchants, JD and financial institutions need to sign a tripartite agreement.

2) Apply for a loan. JD’s merchants apply for loans from JD.com and banks based on purchase orders.

3) Loan review. JD conducts audits based on the credit risks and credit lines of financing companies.

4) Passing information. JD passes the relevant order information to the bank, and the bank provides timely feedback on the information provided by JD.

5) Disbursing loans. The bank reviews the supplier's credit and related order information, provides funds to JD Merchants, and monitors the use of funds.

6) Repayment and interest payment. The supplier pays the interest and repays the principal according to the agreement after receiving the loan. At this stage, the bank will supervise the bank, the bank will recover the loan, and the financing will end.

3.3 Warehouse Receipts Pledge Financing

JD warehouse receipt pledge financing model is that JD uses logistics information and supervision technology to reasonably grant credit to JD’s merchants, and then JD’s merchants deposit the goods into JD's warehouse before using the warehouse receipts, and other vouchers issued by JD as the cargo rights certificates. The pledged property applied for a loan from JD. The three-party interaction is shown in Figure 5.

Fig.5 Interactive Relationship Flowchart Diagram of Warehouse Receipt Pledge Financing

Warehouse receipts pledge financing interactive behavior description:
1) Deposit the goods. JD Merchants store the goods in JD Warehouse.
2) Pledge of warehouse receipts. JD sign a cooperation agreement with the bank to apply for a pledge of warehouse receipts.
3) Apply for a loan. JD Merchants apply to the bank for financing and transfer the rights of goods to the bank.
4) Disbursing loans. The bank extend loans to JD Merchants.
5) Repay the loan. After JD completed the sale, JD settled with the bank and the transaction was completed.

3.4 Account Receivables Financing

The JD.com accounts receivables financing model refers to the fact that JD Merchants pledge accounts receivables generated from daily trade with JD to banks and apply for loans from banks. This model is suitable for JD’s merchants with long account periods and good credit conditions. The three-party interaction is shown in Figure 6.
Account receivables financing interactive behavior description:

1) Sign a contract. JD Merchants sign a purchase contract with JD, and agree on payment terms and payment methods.
2) Sign an agreement. JD Merchants, JD and the bank sign a tripartite agreement.
3) Apply for a loan. JD Merchants apply for loans to JD. JD review the risks and determine the credit line.
4) Passing information. JD passes the information on accounts receivable to the bank.
5) Disbursing loans. The bank issues loans to JD Merchants according to the information passed by JD.
6) Repay the loan. After JD.com has achieved sales, JD.com settle with the bank and the transaction is completed.

3.5 Jingxiaodai Financing

JD uses a credit loan. JingXiaoDai’s targets refer to the merchants of JD Mall (we call them JD Merchants). JD.com uses its own credit scoring model based on real operating data, total sales, product value, and the customer credit evaluations of merchants. Perform credit evaluations of merchants, and determine to lend and the amount of lending or not. The source of JingXiaoDai’s funds is JD’s small loan company registered in Shanghai, which is suitable for those who have been operating on JD Mall for a long time and have good operating performance. The three-party interaction is shown in Figure 7.

JingXiao Dai interactive behavior description:

1) Apply for a loan. JD Merchants apply for loans from JD Finance.
2) Transmission of information and approval. After receiving the loan application, JD Finance obtains the business data of JD Merchants from JD, and automatically completes the credit rating evaluation of the loan company and the verification of the loan amount.
3) Notification confirmation. When the loan amount requested by the financing company is within the approved limit, the system automatically approves it, and JD Finance informs JD and JD Merchants of the loan information.
4) Debit collection and loan. Based on the loan letter issued by JD Finance, JD.com automatically deducted the loan principal and interest amount from the payable payment when settling the payment with JD.com merchants, and the transaction was completed.

3.6 Yuncangjingrong Financing

JD Finance and JD Warehouse have integrated the data of pledged goods from production to transportation, storage to sales and other links, to achieve accurate and efficient detection, adjust the amount of pledged goods, and improve the liquidity of the goods. The three-party interaction is shown in Figure 8.
YunCangJingRong Financing interactive behavior description:

1) Sign an agreement. JD.com sign a cooperation agreement with JD.com merchants, and JD.com merchants store their products at JD.com.

2) Loan application. JD Merchants submit financing loan applications to JD Finance, and the two parties sign a loan agreement.

3) Checking the materials. JD Warehouse inform JD Merchants' pledged goods list and other information to JD. Finance. JD Finance verifies the list and evaluates the value of the pledged goods.

4) Disbursing loans. After JD Finance evaluated the pledged goods, it issued loans in accordance with the credit line.

5) Repaying the loan. JD Merchants will repay the loan after selling the goods in the warehouse.

3.7 Jingbaobei Financing

In 2013, JD.com launched the JingBaoBei financing service. The main clients of JingBaoBei are JD’s merchants in the JD.com supply chain. JingBaoBei is divided into the order loan financing and accounts receivable financing. The difference between the two financing processes is the difference in collateral, and the loan funds are sourced from JD Finance. For the financing of the second order process and the fourth receivable process, the source of funds is a commercial bank. JD Finance has comprehensively analyzed the supplier's purchase, sales, finance, logistics, financing and other data, and based on its own risk assessment system, it has completed online approval, credit granting and risk control, and has issued loans within 3 minutes. The three-party interaction is shown in Figure 9.
JingBaoBei Financing interactive behavior description:

1) Cooperation agreement. JD Merchants sign a cooperation agreement with JD Storage Co., Ltd. to store the goods at JD Storage Co., Ltd. and sell them on JD Store to form orders or accounts receivable.

2) Submit an application. JD Merchants provide JD Financial with relevant information on orders or receivables as collateral, and submit financing applications online.

3) Approval quota. JD Finance verifies information such as orders or accounts receivable with JD Warehouse, then evaluates the credit qualification of JD Merchants and determines the financing limit.

4) Disbursing loans. JD Merchants received financing loans after obtaining financing quotas.

5) Automatic repayment. After the loan expires, JD Merchants use the balance of the account to repay. When the balance is not enough, after the sale of the goods stored by JD Warehouse is completed, JD Warehouse passes the statement to JD Finance and automatically repays the sales.

4. Analysis of Interaction between Financing Companies and Financial Institutions

4.1 Behavioral Analysis of Financing Companies in Interaction

In the interaction with financial institutions, the behavior of financing companies can be analyzed from the point of view of the policy needs of financing companies and the behavior of financing companies to promote financial policies. First, the biggest problem facing the development of SMEs is the shortage of funds. Therefore, SMEs must grasp the financing policies of financial institutions in a timely manner. Some local governments in China will even issue the financing policies to promote technological innovation of SMEs. We must take the initiative to seize the opportunity to rely on financing policy development. Secondly, the overall innovation ability of Chinese SMEs is not strong, and the original innovation technology is very small. Most of technology used by Chinese companies are imitating and replacing foreign technologies. In order to encourage the government to make adjustments in the design of financial policies and other systems, and help small and medium-sized enterprises to transform their innovation achievements into productivity, for example, the Chinese government is trying to support corporate intellectual property pledge financing models to help enterprises obtain development funds.

At present, due to the overall economic downturn in China, SMEs are facing a larger funding gap. How can financing companies use their technological innovation advantages to encourage the government to make adjustments to financing policies? This is a very complex research, but it is clear, that financing companies must establish links with financial institutions through various information networks, and actively strengthen such highly profitable links to actively generate financing interactions with financial institutions.

4.2 Behavioral Analysis of Financial Institutions during Interaction

It has become an international practice for government financial institutions to support the development of SMEs. In recent years, the development of Chinese SMEs has been increasingly valued by the government. Policies and regulations such as the “Small and Medium-sized Enterprise Promotion Law”, “Technology-based SME Technology Innovation Fund” and “SME International Market Exploitation Fund” have been promulgated. The government also encourages private financial institutions because financing alternate forces of funding sources make up for the shortcomings of government financial institutions in financing SMEs. However, financial institutions must understand the financing needs of small and medium-sized enterprises while improving the support of the government, and improve the pertinence and effectiveness of financing policies.

In terms of indirect financing, financial institutions have expanded the scope of interest rate fluctuations, improved credit assessment methods and reward and punishment mechanisms, and set up SME credit departments in commercial banks to increase the proportion of SME loans. The China Development Bank relies on local commercial banks and guarantee institutions to carry out sub-loans and guaranteed loans with SMEs as its service objects. In terms of direct financing, the government has launched an SME sector on the securities market to accelerate the construction of the GEM market. Innovative SMEs are encouraged to raise funds through equity financing, project financing, etc., gradually release private capital to obtain financial licenses, and support private financial institutions such as JD Finance, Alibaba, and Weizhong Bank to provide financing services to SMEs.
China's private wealth capital is huge. After absorbing thise capital, financial institutions provide targeted financing services, which accelerates the efficiency of capital operations, while objectively helping to solve the financing difficulties for the development of SMEs. From this standpoint, it is through the continuous adjustment of financing policies that financial institutions engage in financing interactions with SMEs.

4.3 Behavioral Analysis of Communication Platforms in Interaction

In the financing process of JD supply chain, the communication platform is JD itself. However, in different financing models, JD has a subsidiary company as a communication platform. It is precisely because of communication that the financing interaction between financing companies and financial institutions may be completed. It should be noted that such a communication platform needs constant adjustment to make the interaction between financing companies and financial institutions benign. Only when the two have benign interactions can the symbolic meaning of financing be achieved, otherwise only non-benign ones can be generated. There are risks in the interactive behavior, and of course financing cannot be successfully completed.

4.4 Jd's Measures and Effects on Interactive Relationship

In order to allow financing companies and financial institutions to complete financing, JD has taken many measures to promote and stabilize the interaction between the three. First, lower the financing threshold. Due to the influence of information asymmetry and other factors, traditional financial institutions limit the registered capital and asset size when financing SMEs, but JD does not have excessive restrictions on registered capital and asset size. Second, JD has used technological innovation to reduce labor costs, and it has an outstanding effect in improving operating efficiency. Third, relying on its own supply chain information, JD analyzes user information and financing indicators with technologies such as big data and cloud computing, and the market operates more transparently. Fourth, JD has broken regional restrictions, and financing does not need to be face-to-face, providing cross-regional financing services to make the financing environment more convenient. Fifth, JD customized personalized fund services for financing companies, changing the situation in which SMEs cannot obtain microfinance from banking institutions.

These measures have distinguished JD’s supply chain financing model from other forms of financing. It has played a positive role in financing risk control. During implementation, JD has formed a network platform scoring system, cash flow monitoring system, and risk control system to allow financing Completed more smoothly and profited from multiple parties.

The interactive model of JD's supply chain financing has made the relationship between financing companies and financial institutions stronger and the two parties communicate more closely, and JD's supply chain financing business has achieved results. JingXiaoDai process is completed online, and the loan can be issued in one second at the fastest, which is automatically processed by the background system. The annual interest rate of JingXiaoDai is 14% -20%, which is relatively low. YunCangJingRong does not require commodities as collateral, ensuring the liquidity of pledged commodities. JingBao Bei annual interest rate is 10%, Alibaba's same type of financing products has an annual interest rate of about 18%, and the interest rate of P2P online loans is higher), and the application process is simple, and the credit line can be recycled. At present, JD’s self-financing products cooperate with more than 400 banks, more than 120 insurance companies, and more than 110 fund companies to provide financing services for 140 million consumers and SMEs. Institutions provide digital financing solutions, direct participation in financing reaches hundreds of billions.

5. Conclusion

In this paper, we introduced seven financing models for JD supply chain financing. The study found that the supply chain financing model of JD is an interactive model. The elements of the interaction are the financing enterprise, financial institution and communication platform. During the interaction between the financing enterprise and the financial institution, the two parties communicate and interact through JD. JD lowers the financing threshold and labor costs, improves the efficiency of financing, uses technological innovation to make market operations transparent and reduces financing risks. At the same time, JD actively breaks regional restrictions, provides personalized financing services, and optimizes the financing environment. We believe that through a series of measures, JD has formed a stable interactive relationship between financing companies and
financial institutions. It is this interaction that makes the communication between financing companies and financial institutions more reasonable, thereby generating economic value. Of course, by further optimizing the interactive model of JD supply chain financing, the communication between the parties to financing becomes more scientific and efficient, and the risks of financing will also be improved.

References