

Research on Residents' consumption and financial investment behavior in Internet economy

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Abstract. Internet economy, with its diversified forms and efficient and convenient operation mode, has a significant impact on Residents' consumption behavior, consumption structure and financial investment. We should actively improve the residents' awareness of rational consumption, optimize the consumption structure, strengthen the regulation and guidance of Internet finance, build a diversified financial investment product system, improve the social security system, and enhance the residents' confidence in Internet financial investment, so as to realize the overall progress and development of society in the era of Internet economy.

1 Introduction

With the continuous development of information technology and the popularization of the Internet, a new economic phenomenon - Internet economy has obtained rapid development in its diversified forms. In this process, the material living standard of residents has been continuously improved, and their living standards have been greatly improved. Their consumption behavior, consumption structure, living habits and financial investment have undergone great changes. Under the background of Internet economy, this paper discusses the transformation path, main characteristics and existing problems of residents' consumption and financial investment, and puts forward corresponding strategies, which has important theoretical and practical significance for the current development of Internet finance.

2 Internet technology

Internet technology is actually based on the development and establishment of computer technology information technology, Internet technology based on the computer network wide area network, so that different equipment to achieve interconnection, so that the spread of information data faster, at the same time, it has effectively expanded the access to information, promoted the development of software technology application, and improved people's life, study and work Great changes have taken place in the way we work. At the same time, the wide application of Internet technology also marks the arrival of information society.

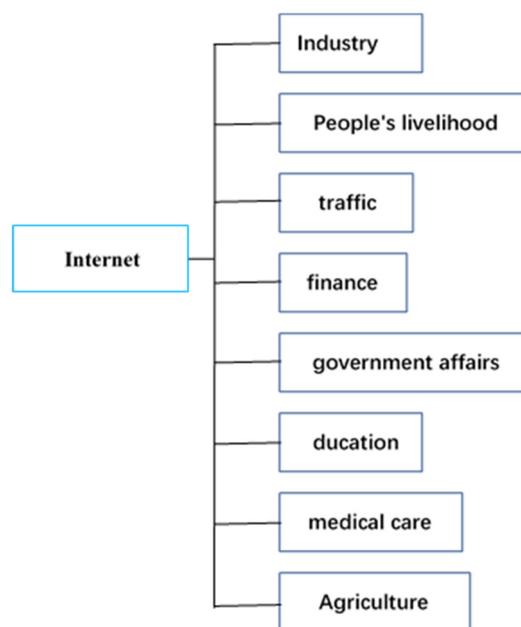


Figure 1 application fields of Internet technology

At the same time, Internet technology includes hardware, software and practical application. Hardware mainly refers to the host and network communication equipment for data transmission, storage and processing. Software refers to the software used for information data collection, storage, retrieval, analysis, application and application, including ERP, CRM, SCM, WF, DW / DM and other software. The application generally refers to the collection, storage, retrieval, analysis and application of a lot of information, including ERP, CRM, SCM and other software, which can enhance the quality of analysis based on DW / DM and other technical software, and assist decision makers in decision-making. At present, Internet technology is widely used in various industries, which is an important symbol of social informatization. At the same time, information technology is to transform other industries and industries, and enhance the economic

benefits of enterprises. In this process, information technology means is an important tool.

3 Connotation and Current Situation of Internet Economy

Due to the different perspectives of research, there are many definitions of Internet economy in academic circles at present. It is generally believed that Internet economy is the sum of all economic activities based on Internet information technology. From the current domestic development situation, the Internet economy mainly includes instant messaging, search engines, e-commerce, online games and Internet finance. The object of this paper is the behavior of residents' consumption and financial investment, which is related to Internet finance in Internet economy, and is also the focus of this paper. Internet finance differs from indirect financing by ordinary commercial banks, the main models include Internet companies such as Alibaba's Yu' e Bao, Tencent Group's LiCaiTong. The business component of the convergence of traditional financial institutions and modern Internet information technology, the P2P lending, crowdfunding and other emerging financial formats.

At present, the development of Internet finance presents the following characteristics.

3.1. Rapid growth in Internet fund sales

Since Alibaba Alipay launched Yu' e Bao in 2013, it has quickly detonated the scale of Internet fund sales, and has formed a fund sales system mainly issued by Internet media, such as Alibaba's Yu' e Bao, Tencent Group's LiCaiTong. And then a lot of traditional commercial banks launched similar products, With the help of Internet channels and e-commerce platforms, the funds, financial management, insurance and other financial products has been launched. As of June 2019, China's Internet financial users reached 170 million, up 18.35 million from the end of 2018, take 19.9% of Internet users. Scale of Consumer Financial Transactions reached over 30000 billion yuan.

3.2. Expansion of Internet payments

Internet payment modes include mobile payment, online banking and third-party payment. At present, the domestic mainstream model for mobile phone payment. With the support of computer and Internet technology, the invisible tool of electronic data is replaced by the traditional tangible tool of payment to carry on the convenient circulation of funds. For example, scan code payment, biometric payment, NFC payment. Residents' daily consumption, payment, cross-border payment and so on are faster and more effective, and the service charge is mostly 0, which has an important impact on residents' consumption habits and financial investment activities.

3.3. Emerging Network Crowdfunding and P2P Patterns

The late emergence of crowdfunding in China mainly refers to the activities of raising project funds from investors through network channels, which generally adopts the form of "group purchase + Pre-purchase". Such as the Angel Crunch completed more than 200 projects more than 1 billion yuan investment activities in 2019. P2P is the direct lending behavior between individuals and individuals, also known as point-to-point network borrowing. Generally, it is the private lending behavior of building an Internet financial service website or related APP, to aggregate microfinance to lend to people in need. Including the state capital department, listed company department, banking department, private department and venture capital department several modes. As a new financial business, crowdfunding and P2P have gained explosive growth and rapid development in China in recent years.

4 Structural changes in consumer consumption in the Internet economy

With the further development of market economy, the consumption structure of Chinese residents is constantly optimized. According to a report on the results of China's market sales statistics, the total retail sales of consumer goods in China reached 410 thousand billion yuan in 2019, breaking through the 4 billion mark. The year-on-year growth rate exceeded 8.0%. The report points out five characteristics of China's consumer retail market in 2019: First, new consumption growth points are emerging and gathering scale; Second, the contribution rate of network consumption to the total market growth in the field of e-commerce continues to rise; Third, the number of small and micro-enterprises increased, active development, especially the service-oriented small and micro-enterprises are a major consumer; Fourth, the gap between urban and rural consumption is gradually narrowing; fifth, the consumption of entertainment products, health products, communication equipment and cosmetic skin care products has increased rapidly. In order to analyze the structural transformation of residents' consumption, we must start with the theory of residents' consumption, combine the research data and statistical analysis, and obtain the valuable research results comprehensively and prudently.

4.1 consumption theory of major residents

4.1.1 Absolute income hypothesis and relative income hypothesis

In describing the relationship between consumption and income, Keynes and Duse berry put forward a completely different hypothesis. Keynes believes that the factors affecting residents' consumption can be divided into subjective and objective aspects, and income is the main

factor determining consumption. With the increase of income, consumption increases, income decreases, and consumption decreases accordingly. Wages are predictable, but changes in income and personal property are unpredictable, which is called absolute income hypothesis. But Duse berry does not think so. His theory of relative income hypothesis points out that although income has a certain impact on residents' consumption, it cannot be ignored that individuals' consumption habits and changes in their surrounding consumption levels have always been. Consumer consumption habits are plastic and can be adjusted between consumption behavior and income. He also put forward "demonstration effect" and "ratchet effect", and put forward that if consumers have formed certain consumption habits, they will not easily reduce consumption because of the decline of income. Consumption decisions are not determined by individuals and are also affected by the surrounding environment.

4.1.2 Life cycle hypothesis

As the name implies, the life cycle hypothesis is a theory that links human consumption behavior with lifetime income and property. Based on the theory of consumer behavior, the presupposition of life cycle vacation is that consumers can consume rationally in a reasonable way and strive to maximize utility, people's consumption behavior depends on lifetime income rather than short-term income. The life cycle hypothesis divides a person's life into young, middle and old age, the first stage income is low, the consumption is much; the second stage family income will increase, the consumption proportion will decrease; the third stage because the retiree's income falls again. Therefore, the consumption tendency of households in different life cycles is also different, but the consumption expenditure and disposable income seem to be a stable state in general.

4.1.3 Maslow's hierarchy of needs theory

Maslow's hierarchy of needs theory belongs to the classical theory of consumption structure, Maslow put forward in 1968 that human needs are composed of different levels of different needs, the most basic is physiological needs, such as eating, drinking, sleeping, air and so on, it is the basic guarantee to support a life. Then there are security needs, such as people living in a fixed place, can have stable work and so on. Thirdly, it is the need of belonging and love, that is, people should develop interpersonal communication and establish emotional ties with them, such as people participating in collective activities and parties. The top level is the need for respect, that is, people have self-confidence and self-esteem, respect from others, can create value, and obtain spiritual satisfaction. From the point of view of residents' consumption structure, we can find the corresponding consumption field from Maslow's hierarchy of needs theory, which is also an important theoretical guidance for us to study residents' consumption.

4.2 The Mechanism of Internet Economy on the Consumption Structure of Residents

Internet economy form is diverse, and the change of resident consumption structure has very big relation. From the perspective of absolute income hypothesis, relative income hypothesis, life cycle theory and Maslow's hierarchy of needs theory, we find that the Internet economy has a certain mechanism of action on the consumption structure of residents. On the whole, the consumption level of Chinese residents is at a low level for a long time. With the continuous improvement of China's per capita income and the change of economic growth mode, the pulling effect of consumption on economic growth is becoming more and more obvious. According to the data of 2013-2019, the most obvious decline in the consumption structure of urban and rural residents is the consumption of food, alcohol and tobacco, while the proportion of consumption expenditure such as residence, communication, culture and entertainment, health care and so on is in the rising stage. At the same time, through the relevant statistics, we can see that the growth of online shopping and consumption of Chinese residents is in a surprising rapid growth rate, In the past decade, from 500 billion to nearly 100 thousand billion yuan, the proportion of online shopping in total retail sales of consumer goods has increased from 3.3 percent to 23.6 percent. It is no exaggeration to say that online shopping has been reconstructing a new consumption trend. On the one hand, it is manifested in the continuous improvement of the total consumption level of residents under the Internet economy. On the other hand, the Internet has broken the space distance between city and city, city and township, even between country and country. E-commerce has reshaped residents' consumption patterns and expanded their consumption channels, a consumption pattern that was completely unexpected before the Internet economy arrived.

5 Research on the Way of Residents' Investment Behavior in Internet Economy

Under the Internet economic environment, the investment behavior of the residents has a great impact. The participation in the Internet financial investment is very high, and at the same time, the Internet payment disclosure is frequently used. In this process, some young and middle-aged groups with high income and education background have become the main groups in the Internet financial investment behavior, and the main part of Internet finance Investment is a small amount of idle funds.

5.1 Internet financial investment participation is high, Internet payment tools are frequently used

The survey shows that the current investment behavior of residents in the Internet field is in a state of combination of traditional financial products and Internet financial

investment. Most residents still invest in time savings deposits, bank wealth management products, bank fund products. The second is stock investment and insurance investment. More than 70% of residents have already known the basic situation of Internet financial investment, and the proportion of investment is on the rise. Convenient and fast, strong liquidity, high income, easy to operate, the rate of return can be viewed daily is the main reason for their choice of Internet financial investment. Generally speaking, residents prefer Yu' e Bao and other fund products, with relatively little crowdfunding and P2P lending on the Internet. In terms of Internet payment tools, from early online banking to mobile phone payments, nearly 80% of residents said that Internet payment has become a habit in life, and the proportion of cash flow has fallen sharply.

5.2 Young and middle-aged people with high income and high education are the main actors of Internet financial investment

From the age point of view ,20-40 years old is the new force of Internet financial investment, the older, the less involved in Internet investment, and return to traditional bank savings, treasury bonds and other investment behavior. This is not difficult to understand, after all, Internet financial investment is a new thing, but also need to master certain operational skills, young people's ability to accept new things, can quickly start. On the other hand, young people value liquidity and return on investment, while older people are more afraid to take risks and pursue stable returns.

5.3 Internet financial investment is mainly small idle funds

From the source of funds, the funds of residents' Internet investment behavior come from idle funds other than bank savings, with a general quota of 1-10 million. From the transformation ratio, about 20% of demand deposits turned to Internet financial investment. Overall, because the quota is not high, the proportion of Internet financial investment products in household investment behavior is also relatively low, China's mainstream residents' investment behavior is still bank savings and bank financial management, fund products. It is not difficult to find that residents pay more attention to the security and stability of capital, followed by yield and liquidity. However, residents' recognition of Internet investment behavior is also increasing year by year, indicating that the future will be supplemented by Internet financial investment on the basis of traditional investment behavior. In general, Internet finance has brought a better experience to residents' investment and financial management behavior, which is conducive to the improvement of residents' awareness of investment and financial management, enriches investment channels, and makes the overall allocation of financial assets more diversified and rational. To achieve steady growth in wealth.

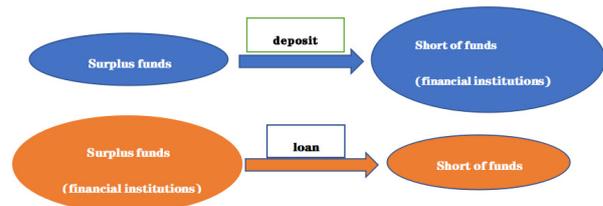


Figure 2 investment and financing process

6 Analysis of Key Strategies in Consumer and Investment Behavior of Residents in Internet Economy

Although the development momentum of the Internet economy is fierce, it can not be denied that we are still in the early stage of development, there are still many problems in risk control, platform construction and operation level, and residents express some puzzles such as personal privacy problems, risk warning problems and financial damage in their consumption and investment behavior. In order to further promote and improve the consumption structure and financial investment system of residents, this paper puts forward the following aspects that deserve deep consideration and continuous exploration.

6.1 Improve residents' consciousness of rational consumption and optimize consumption structure

Because of the convenience and efficiency brought by Internet information technology, there is the effect of improving consumption tendency. For example ,618, Shuang11 and other kinds of shopping carnival, in all kinds of media and e-commerce platform under the frenzy, residents are prone to impulsive consumption, blind consumption, excessive consumption, but also prone to comparable consumption or conspicuous consumption behavior, will worsen the financial situation of consumers. We should further guide consumers to spend reasonably, improve their comprehensive financial literacy, optimize their consumption structure, and maintain a healthy financial situation.

6.2 Strengthen the regulation and guidance of Internet finance and construct diversified financial investment product system

First of all, we should formulate basic laws related to the development of Internet finance, clarify the threshold of the industry, stipulate the rights and obligations of various trading subjects, perfect the social supervision mechanism of Internet finance, strengthen the self-discipline construction of the industry, strengthen the network security management, optimize the market environment, and protect the rights and interests of Internet financial consumers. Strengthen the construction of social credit

system, crack down on Internet financial crimes, and give full play to the supervisory role of industry, organization and news media. Investors should strengthen risk prevention publicity, set up a good concept of financial management. Both the traditional banking financial system and the Internet finance, under the new era and new situation, we should speed up the pace of innovation, build a diversified financial product lending system that conforms to the characteristics of our residents' investment and financial management, and meet the diversified financial investment needs of the residents.

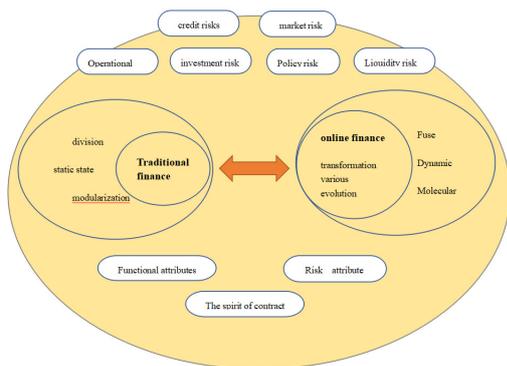


Figure 3 risks of Internet Finance

6.3 improve the social security system, enhance residents' confidence in Internet financial investment

China is a big savings country, and more than 70% of savings deposits in the investment structure of residents. On the one hand, it is the investment habits of residents, on the other hand, it also reflects the lack of confidence in Internet financial investment, and the uncertainty of capital and income weakens their investment will. We should constantly increase the weak coverage of social security, correctly guide and promote, reduce residents' preference for preventive savings, and increase their willingness and confidence in financial investment.

7 Conclusion

To sum up, the extensive application of Internet technology in various industries and fields has derived the Internet economy. Under the influence of this economic environment, the consumption behavior and financial investment behavior of residents have changed greatly. This paper focuses on the connotation and development status of Internet economy under the application of Internet technology, and discusses the transformation of residents' consumption structure Under the Internet economic environment, the path of residents' investment behavior and the important measures of consumption and investment behavior are described. The purpose is to enhance the residents' reasonable consumption consciousness, effectively optimize their consumption structure, strengthen the standardized guidance of Internet finance, establish a diversified financial product investment system, continuously improve the social

security system and strengthen the army The people's confidence in Internet financial investment has injected more power into the modernization of the national economy.

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