Analysis on the Change of Financial Management Mode under Internet Finance

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Abstract. Economic development in the 21st century in the 21st century, the wealth in the people's hands has been accumulated continuously, and the increase of the wealth in the people's hands has also promoted the emergence of new industries —— financial management in our country. Because of the rapid development of Internet in China, all kinds of industries begin to combine with the Internet, and the financial industry is no exception. The combination of financial industry and Internet has produced the hottest industry —— Internet finance in China. Internet finance not only brings innovation to the traditional financial industry, but also makes the financial management mode of our country change dramatically.

1 Introduction

In the new century, especially with the rapid development of the Internet, the traditional financial industry was first hit by the Internet. Before long, the Internet affected all aspects of the financial industry and even took the lifeblood of the financial industry in some ways. This paper deeply analyzes and compares the traditional financial industry and Internet finance, and probes into the influence of the traditional financial management mode and the Internet on the financial management mode in order to realize the purpose of optimizing the financial management mode.

2 ANALYSIS OF INTERNET FINANCIAL BACKGROUND

With the rapid development of the Internet and the comprehensive innovation of information technology, China has entered the era of big data in recent years. Internet finance industry brings different service modes from traditional financial industry, which involve the rapid integration of various capital, the reform of payment mode, investment and the provision of favorable financial information services[1]. Since 2008, the wealth in the hands of our people has been increasing. By 2015, China's private funds have reached a very considerable amount. With the accumulation and operation of capital and the support of national policies, China's small and medium-sized enterprises development of capital demand is also increasing[2]. Therefore, the financial industry under the background of the Internet has made an important position in this reform. With the continuous penetration and integration of the Internet and the traditional financial industry, financial platforms and various new ways of financial management have sprung up in the market. Fame

are stocks, funds, online banking and third-party payments. With the past a variety of bank storage methods and the purchase of insurance, treasury bonds and other slightly single financial management, today's financial management is really a variety of ways, blooming. The combination of the Internet and the financial industry has the following advantages: the operation of the market becomes very simple and clear, the cost is reduced, and most importantly, The diversification of financial management makes individual risk taking less concentrated[3].

Internet finance, as a new industry with great changes to society in the 21st century, its good development will also promote the development of other industries in society, and make our financial management way innovative. In recent years, the financial management industry under the Internet finance is developing rapidly, various financial management methods emerge in endlessly, and financial products are dazzling. From the following sets of data, we can see that in 2014, there are less than 500 financial institutions in China, and these financial institutions provide less than 70,000 financial products, but in the past less than two years, China's financial institutions have exceeded the 500 mark. These financial institutions have provided nearly 100,000 financial methods. In the past, our traditional financial industry provided a simple function of storing funds and loan funds, but now they can not only store borrowing funds, but they can also help you deal with funds, stocks, gold bars and other high valuables. Financial services in the context of the Internet have become more and more convenient and comprehensive[4]. Of course, the continuous growth of financial institutions, financial management methods and financial products have also created today our financial market in full swing, capital prevalence. Under the background of Internet, financial management makes its market more and more broad with

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its unique advantages, and even has the tendency to drive the traditional financial management out of the market[5].

3 FINANCIAL MANAGEMENT IN THE CONTEXT OF THE INTERNET

After more than 20 years of Internet development, he made our life more and more simple. Based on the characteristics of high innovation, simplicity and easy operation of the Internet, there are also various new ways of financial management in the market, such as fund trading. Online convenient payment, p2p and so on. These new financial products have benefited from the development of big data in the Internet information age. However, these new financial management methods are not an enhanced version of traditional financial management. The first is that everyone can manage money. The threshold of financial management has become very low. The second characteristic is that the profits you make are very good[6]. In the past, the most common way of managing money was to deposit your money in the bank. You want to get more benefits. You have to meet the following two conditions.

First, you have very rich storage funds. Second, the bank deposit rate is very high. The third characteristic of the financial industry under the background of the Internet is that the market operation is very transparent and fair, because the Internet itself big data, easy to operate characteristics, all projects will be fair and just on the Internet. The fourth characteristic is flexible and convenient operation. The convenience of financial data financial products under the background of Internet is mainly reflected in the convenience of purchasing financial management, selling financial products portable, and being able to verify the income obtained by financial products anytime and anywhere[7]. The last characteristic in the context of Internet finance is that market funds are very portable. With the increasing wealth in the hands of the people, financial products emerge in endlessly, and the capital that can enter the market becomes more and more. The above advantages have fundamentally changed the weakness of traditional financial management methods. The financial products under the Internet background have also brought better benefits to the public, realized the desire of money and money, compared with the loss of traditional financial products. The risk of loss and diversification of financial products makes people know the financial theory that eggs can't be put in the same basket.

Next, let's talk about several important financial products on the market. Crowdfunding is the hottest new financial product on the market today. His model is composed of three aspects. The first is the sponsor, the second is the investor with funds, and the third is the platform. After the platform releases these related news, investors find projects on these platforms that maximize their own interests, and then invest their own funds in the projects they like. The platform is an important bridge between investors and sponsors. What the platform has to do is to publish the most important market information and the latest government policies. Of course, the platform

should accurately screen the background of the sponsors, demonstrate their innocence, authenticate investors and find more like-minded investors to enter the platform[8].

The emergence of p2p has also changed the pattern of China's financial market. In recent years, p2p term has often appeared in our lives. The emergence of this new financial model is also due to the rapid development of the Internet and the combination of traditional finance, but unlike crowdfunding, p2p he is not as large as crowdfunding. He is very popular among the people. The biggest p2p is that investors get higher profits than every financial model, whether traditional or emerging, This high-profit financial model attracts many people to put their excess money into the p2p, through the p2p platform to lend money to users in urgent need of money. Most of the people who borrow money on the p2p platform are in urgent need of large money. There is also a low credit line, in other financial institutions can not borrow money. Although p2p has always been popular with the public, he also has a very big defect, that is, his integration industry is not supervised by others, is not supervised by the market, and often produces a series of phenomena which are not conducive to social stability,. p2p has its own strong advantages, such as that he doesn't need investors to do technical analysis like stocks and funds, and does n't have to spend a lot of time on the market. His operation is very simple and his investment is very simple. p2p instinct is to make more and more money in financial markets[9].

4 ANALYSIS OF TRADITIONAL FINANCIAL MANAGEMENT

Twenty years ago, China's Internet has not been so spread throughout the market. China's finance is still in its infancy, and the types of financial products are very single. China's common traditional financial management is mainly bank storage, treasury bonds, insurance, funds[10]. These wealth management products have the following two common characteristics:

Firstly,the income is not much, the profit is unstable, often produces the loss, especially the fund and the stock these two traditional financial management methods. If investors do not have certain financial knowledge, then most of the investment in these two financial methods is a loss, and the loss of more funds.

Secondly,itm is Very troublesome to operate.

From the national conditions of our country and the education level of the people, most people in our country choose to put the spare money into the bank storage. Although the bank storage interest rate is not high, but compared with funds and stocks, bank storage is more stable, more convenient and flexible operation. In 2000, China's rapid economic development, people's living standards to improve the hands of more and more idle money. In addition, the rapid development of the Internet has penetrated into various industries in the market, financial products emerge in endlessly[11], the traditional concept of financial management has changed. Under the background of the Internet, financial products in the market shine brilliantly. In spite of this, conservative traditional financial management still occupies a very

large share in the market. This is mainly because people's investment and financial management tend to ensure the stability of funds in hand. The traditional financial management method can also last in the market where the Internet is flourishing, mainly because of the stability of the traditional financial products and the high strength of credit[12].

In recent years, the cases of financiers running away are common. Most investors have lost all their assets. The financiers can not find them, the court can not open a case, and the freezing of the financier's property against the investor's debt has had little effect. Why traditional financial management has been enduring for so many years is mainly that they have adopted popular ways and policies to maintain the stability and high strength of bank storage[13]. The bank's strong credit gives the public a steady hand, so repeatedly, it has become its own credit brand, the public expects their money to continue to make money, do not care how much money, their minimum requirement is to stabilize their own money, so high credit line bank storage has become the first choice for most people, which is why traditional financial management can still occupy an important position in the market, but high credit and stability can not always make traditional financial management carefree, as all walks of life are deeply infiltrated by the Internet, If traditional financial management does not adapt to the changes and innovations of modern society, his future will not be smooth. We all know that bank deposit storage is the traditional financial management method most accepted and known to the public in our country. There are two modes of bank storage, one is time deposit, the unit time is year, during that time, the deposit money can not be taken out, his bank storage rate will be higher, and the other is demand deposit[14].

Insurance is a traditional method of financial management. Insurance has been with us since birth, so-called insurance, which means to set up insurance with the money collected to compensate the insured for the huge losses caused by major accidents or natural disasters. With the rapid development of the Internet in China, the influence of the Internet has penetrated into all aspects of our industry, and the traditional insurance of our country is constantly running in and integrating with the Internet. As a result, the traditional insurance model has developed into a new insurance model, which is called "Internet insurance ". Under the influence of a series of financial reform policies and the promotion of technological revolution in China, the insurance model under the background of the Internet occupies a place in the market, and this place has a growing trend. But, like two aspects of a coin, some products are market-oriented and low-cost. Next, let's talk about securities financing, including these financial models, stocks, funds... The high yield of securities management must also bear huge risk losses. It is said that seeing his tall buildings rise and his tall buildings collapse can vividly reflect the opportunities and great risks that securities bring. Futures are also a traditional way of managing money. Futures have a characteristic that he does not have other financial models is that he has a long time limit[15], which will produce money loss or profit because of his uncertainty, and the

price of futures is not very stable, The first step in the success of his trading with investors is to evaluate the future trend of these goods, to determine the future trend of these goods to determine the price of the transaction and then to trade at the prescribed price. This behavior can stabilize the investor's income and risk, and will not lead to the loss of investors' capital because of the sudden rise or sudden fall in the price of these goods in the future. Because futures are too risky and too uncertain, futures investors are not many[16].

5 THE IMPACT OF INTERNET FINANCE ON TRADITIONAL FINANCE

With the rapid development of the Internet, Yu' e Bao's proportion in the market is increasing. In 2015, Yu' e Bao's capital accounted for nearly 600 billion yuan. As can be seen from these huge figures, finance under the Internet background is gradually changing the existing financial system. After the financial model under the background of the Internet has gradually matured[17], the advantages of the Internet are constantly expanding, fair, transparent, legal system, simple these popular characteristics are breaking down the single, information conservative traditional financial industry. The financial model under the background of the Internet is also constantly reforming and innovating with the progress of society and the development of technology, creating more new financial products, making the financial industry acquire more market capital under the background of the Internet. The rapid development of the Internet and the high prosperity of the social economy make the users of Internet finance grow gradually every year. In the face of such a large number of users, Internet finance uses information technology to dig deeply into the social relations, consumer behavior, good and bad credit degree of users, and the financial system under the Internet background is the most thorough and clear. This practice not only makes more and more Internet financial platforms become more and more popular with users, but also makes investors minimize the loss of funds and investment, and creates a very strong and clear constitution for the society, Greatly reduce the loss of money due to credit. The platform has a strong credit rating system, investors will not lose a lot of money because of credit, and financiers can quickly raise the money they need in a short period of time because of the platform and investors[18].

Figure 1. Financial management

Although Internet finance provides more platforms and choices for enterprises and users, there are also many financial risks.

First of all, most Internet financial management adopts the recovery mode, so in order to make the internal funds flow quickly, some enterprises usually use their own funds to advance the transaction to ensure that customers can buy back financial products at any time. However, once a large number of users in a certain period of time centralized recovery of financial products, enterprises will have a shortage of liquidity, enterprises can not bear this kind of capital pressure in a short period of time. Therefore, Internet financial management brings certain risks to the stable operation and capital flow of enterprises.

Second, Internet financial management of the Internet and information technology requirements are very high. However, the openness and diversity of the Internet naturally make it have data risk, and this risk will naturally be transferred to Internet financial products. Some formal Internet financial platform will also appear theft brush and by third-party games, financial platform malicious intrusion phenomenon. More criminals will use the network platform vulnerabilities and viruses, illegal acts, resulting in varying degrees of financial losses.

Moreover, Internet financial management is mostly dependent on third-party payment. However, the ability qualification of sales and payment of some small and medium-sized enterprises can not pass the audit and certification of third-party payment platform, which indirectly leads to the lack of effective supervision and management of such small and medium-sized enterprises by market regulators. At the same time, the current state laws, regulations and policies are not perfect. Some Internet platforms lack legal recognition and protection, so there are great moral and legal risks.

6 CONCLUSION

The financial and financial industry under the background of the Internet has brought a lot of convenience to the three parties. The Internet is developing and the social economy is booming. How to make the Internet financial model better and better, out of a road in the market, we still have a long way to go.

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