Research on the Adoption of Consumer Internet Financial Products

-- Take Bengbu Yuhui District as an Example

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Abstract

The increase of per capita disposable income makes personal financial management urgent, and Internet financial products show great development potential. Based on the perspective of consumers, this paper selects Bengbu City to conduct a field survey to empirically study the influencing factors of consumers' willingness to adopt Internet financial products in Bengbu City. Basic statistical analysis, factor analysis and other methods are used for data analysis, and corresponding conclusions and suggestions are drawn.

Keywords

Internet Financial Products; Adoption Intention; Influence Factor.

1. Introduction

Since the reform and opening up, China's per capita disposable income has continued to increase. According to the China Statistical Yearbook, the per capita disposable income in 2015 was as high as 21,966 yuan, of which property income accounted for only 8%. As the main financial management method of the public, the low utilization rate and low income of funds make personal financial management extremely urgent. At this time, the personal finance market showed a huge space for development.

The official launch of Yu'e Bao opened the door to a new world. Yu'e Bao is popular with the public because of its easy operation, high interest rate, and financial threshold as low as 1 yuan. In June 2014, the first anniversary of the launch of Yu'e Bao exceeded 574 billion yuan, and the number of users exceeded 100 million. The popularity of Yu'e Bao has created a new term "Internet finance", which has attracted the attention of all walks of life to "Internet plus finance". The emergence of Internet financial products provides consumers with a convenient and safe financial platform. Its low threshold, high income and high liquidity well meet the financial needs of the public. In recent years, with the rapid development of Internet financing, the types of financial products are becoming more and more abundant.

2. Development Status of Internet Financing

The rise of Yu'e Bao created "Internet financing". Internet financing refers to that consumers invest and manage financial products through the Internet to obtain certain benefits. As an early Internet financial product, P2P financial management developed slowly and was not well known. With the popularity of Yu'e Bao and the change of the industry's business model, P2P financing has witnessed explosive growth, occupying a certain market position. The emergence of crowdfunding has greatly promoted the development of Internet financing. The emergence of "Internet wealth management" not only makes us re recognize the early wealth management products: P2P wealth management, crowdfunding, but also a new type of wealth management market that is different from the traditional way of wealth management. It is dominated by

Internet wealth management products, supplemented by traditional wealth management products.

With Internet financing, people can realize the subscription, consumption and redemption of monetary funds only through online operations. In order to better meet the needs of the public, the Internet financial products adopt the financial threshold as low as one yuan and the T+0 monetary fund redemption rule. At the same time, compared with the traditional way of financing, that is, depositing cash in the bank, the yield of Internet financing is higher than the ordinary deposit interest rate, allowing consumers to obtain more income. With the development of Internet technology, people's awareness and credit of financial products are constantly improving, the types of financial products are becoming more and more abundant, and the financial functions are becoming more and more perfect. All major integrated e-commerce platforms, such as Taobao and Jingdong, have also launched financial products as intermediary platforms.

However, Internet financing still has many drawbacks. For example, the information disclosure of financial products, especially the product risk disclosure, is low, and consumers blindly cater to purchase. Therefore, product service providers should grasp the consumer's financial needs, combine financial products with consumer needs, and provide better product services, so as to achieve the improvement and development of the Internet financial market.

3. Questionnaire Survey and Relevant Empirical Analysis

3.1. Questionnaire

3.1.1. Questionnaire Design

In order to understand and analyze consumers' willingness to adopt Internet financial products and the influencing factors, we adopted the questionnaire survey method. Through relevant data search and learning, we divide the questionnaire into two parts, both of which are multiple choice questions. The first part is the basic personal information, including the age, gender, education level, occupation, monthly disposable income and main financial management methods of the person filling in the questionnaire. The second part is related to Internet products. Whether to use financial products is the first question in this part. If the filling person has not used Internet financial products, he/she will directly turn to the last question, that is, the reason for not using financial products; If the filling person has used the product, he/she shall select the type of product used, the reason for product selection, the amount of investment, the time of use, and the information access channel.

3.1.2. Investigation Implementation

The respondents are Bengbu consumers, including all ages and occupations. The investigators are recruited members of the social practice team, totaling 10. Fill in and collect data through offline distribution of paper questionnaires and online questionnaire star links. Offline, the team members were divided into several groups to conduct random interviews with consumers in Bengbu's main shopping centers to help them fill in the questionnaire; On line, team members send links to questionnaire stars through QQ, WeChat, etc. This survey ensures randomness and effectiveness.

3.2. Relevant Empirical Analysis

A total of 200 questionnaires were distributed in this survey, and 174 valid questionnaires were recovered, with an effective recovery rate of 87%. Among them, the effective copies of questionnaires issued and recovered by the two survey methods are as follows:

Table 1. Questionnaire Recovery

Investigation methods	Quantity of questionnaires distributed (copies)	Recovered effective quantity (part)	Recovery efficiency (%)
Paper questionnaire	100	86	86
Electronic questionnaire	100	88	88

3.2.1. Descriptive Statistical Analysis

We conducted descriptive statistical analysis on the sample data obtained through two parts of the questionnaire:

(1) Statistical analysis of the respondents' basic personal information:

Table 2. Statistics of basic personal information

Basic personal information			
Quantity of questionnaires distributed (copies)	option	Number of samples	Precent(%)
Age stage	Under 18	19	10.92
	19-35 years old	117	67.24
	36-60 years old	32	18.39
	Over 60	6	3.45
Gender	male	80	45.98
	female	94	54.02
degree of education	Junior high school and below	28	16.09
	high school	25	14.37
	Undergraduate/junior college	120	68.97
	Postgraduate or above	1	0.57
occupation	student	70	40.23
	clerk	36	20.69
	civil servant	8	4.60
	other	60	34.48
Monthly disposable income	Less than 3000 yuan	76	43.68
	3000-5000 yuan	79	45.40
	RMB 5000-10000	11	6.32
	Above 10000 yuan	8	4.60
Main financing methods	Bank savings	92	52.87
	Internet financial platform	27	15.52
	other	55	31.61

It can be seen from the above table that, from the perspective of age distribution, the respondents are mainly aged 19-35, accounting for 67.24%; The second is 36-60 years old, accounting for 18.39%. At present, the Internet users are mainly 10-39 years old. Male accounted for 45.98%, female accounted for 54.02%, and the gender ratio of the respondents tended to 1:1.

From the perspective of education level, there are 120 undergraduates and junior college students, accounting for 68.97% of the total number, 16.09% of junior high school students and

below, 14.37% of senior high school students, and only one graduate student and above, accounting for 0.57%.

In terms of occupation, there are 70 students, accounting for 40.23%, and 59.77% for other occupations, including company staff, civil servants and others.

In terms of monthly disposable income, the number of people with RMB 3000-5000 is the largest, accounting for 45.40%, followed by those below RMB 3000, accounting for 43.68%, while those with RMB 5000-10000 and above RMB 10000 account for 6.32% and 4.60% respectively. Therefore, the respondents' monthly disposable income is concentrated at 5000 yuan or less.

In terms of financial management, the respondents mainly used bank savings for personal financial management, accounting for 52.87% of the total. Other financial management methods, including funds, stocks, futures, accounted for 31.61%, while Internet financial management platform users were the least, accounting for only 15.52%.

(2) Statistical analysis of Internet financial products:

Among the respondents, 80 have used Internet financial products, while 94 have not, with a proportion of 46:54. Among the reasons for not using Internet financial products, about 37% did not know about Internet financial products; Unsafe accounts for about 14%; About 11% of them distrusted new things and considered them after waiting. It can be seen that the popularity of Internet financial products is very low.

For the respondents who have used Internet financial products, among which Internet financial products have been used, Yu'e Bao has the largest number of users, accounting for 58%, followed by WeChat financial communication, accounting for 20%. Because WeChat and Alipay have a high popularity and utilization rate in China, this result is reasonable.

In terms of service time, 33 people were under 1 year, accounting for 41.25%; 31 persons in 1-3 years, accounting for 38.75%; There are 16 people with 3-5 years and above, accounting for 20%. It can be seen that, with the emergence and popularity of Yu'e Bao in 2013, the public began to slowly contact and understand Internet financial products and realize personal financial management through Internet financial products.

In terms of investment amount, the respondents' investment amount in Internet financial products is mainly 5000 yuan and below, which is consistent with the fact that the respondents are young people with monthly disposable income of 5000 yuan and below.

On the main reasons for respondents to choose Internet financial products, 24% believed that the operation was simple and flexible; 13% believed that the financial threshold was low; 12% believed that the funds and accounts were safe; 17% of the people think that the product has income stability; 16% of people like its high yield. However, the respondents' understanding of the products is low, accounting for only 4%. The specific reason proportion distribution is as follows:

3.2.2. Factor Analysis

Based on the above descriptive statistical analysis, especially the statistical analysis in the second part, we can see that there are many factors that affect Bengbu consumers' willingness to adopt Internet financial products, including simple and flexible operation, product understanding, financial threshold, yield, financial habits, etc. According to the statistical results obtained above, in order to grasp the proportion of the influence of each factor and combine with the actual situation, we divide the main factors that affect consumers' willingness to adopt into six aspects: information and capital security, ease of operation, product understanding, yield, income stability, and financial threshold. In order to find out the relationship between variables and the extent to which variables affect consumers' willingness to adopt, we further analyzed the above six variables.

Through spss analysis, we get the following results: KMO>0.5 and Sig<0.05, then the above variables can be factor analyzed.

Table 3. Factor Analysis Test Results

KMO and Bartlett's test		
Kaiser Meyer Olkin measurement of sampling adequacy		0.621
Bartlett's Sphericity Test	Approximate chi square	75.456
	df	15
	Sig.	0

The third factor is the turning point according to the gravel diagram and the explanation table of total variance below. Because the eigenvalues of the first three factors are greater than 1, and the variance explained by these three factors accounts for about 70% of the total variance, which can comprehensively reflect all information, the first three factors should be extracted.

Table 4. Explanation of Total Variance

Composition	Total variance of interpretation								
	Initial characteristic value			Extract Square Sum Load			Rotation sum of squares loading		
	total	% of variance	Cumulative%	total	% of variance	Cumulative%	total	% of variance	Cumulative%
1	1.852	30.872	30.872	1.852	30.872	30.872	1.644	27.408	27.408
2	1.310	21.842	52.714	1.310	21.842	52.714	1.393	23.216	50.624
3	1.057	17.610	70.324	1.057	17.610	70.324	1.182	19.700	70.324
4	901	15.009	85.333						
5	621	10.354	95.687						
6	259	4.313	100.000						
Extraction method: principal component analysis									

The factor load matrix obtained after factor rotation using Varimax method is as follows. It can be seen from the table that the first factor is closely related to product understanding and operation convenience, the second factor is closely related to information and capital security, and the third factor is closely related to financial threshold. It shows that the three factors have different effects on consumers' adoption intention.

Table 5. Factor load matrix after rotation

Rotating component matrix a

Composition	1	2	3
Yield	-0.812	-0.113	-0.096
Operation convenience	0.742	0.139	-0.101
Product understanding	0.602	-0.199	0.126
Information and capital security	-0.092	0.9	-0.141
Income stability	-0.255	-0.714	-0.451
Financial threshold	0.023	0.003	0.961

4. Conclusion and Suggestions

4.1. Analysis of Research Results

Through data collation and relevant analysis, we can draw the following conclusions:

1. Consumers in Bengbu mainly use the traditional financial management method bank savings in personal financial management. Consumers have low understanding of Internet financial products, short use time and small investment amount;

2.The Internet financial products used by consumers are relatively simple, mainly including Yu'e Bao and WeChat Financial Connect, which is closely related to the current popularity of Alipay and WeChat;

3. There are many factors that affect consumers' willingness to adopt Internet financial products. Through data statistics and factor analysis, we summarize the main factors as follows: information and capital security, ease of operation, product understanding, profitability (including yield, yield stability) and financial threshold;

4.2. Recommendations

With the increasing demand for personal financing and the continuous development of the financing market, Internet financing has shown great development potential. However, so far, the popularity of Internet financing is low and the market share is small. Therefore, how to provide consumers with better product services, improve consumers' willingness to adopt, and further develop the Internet financial management market has become the key. Based on the perspective of consumers and through the analysis of data results, this paper puts forward the following suggestions:

1. Strengthen publicity, expand the popularity of Internet financial products, and enhance consumers' understanding of Internet financial products: advertise in the media or promote on the Internet, correctly publicize the financial platform and financial products, fully disclose information, so that consumers can correctly understand financial products and establish a correct financial concept;

2. The product service provider grasps consumers' financial needs and provides appropriate product services: design financial products based on consumers' needs. For example, the product is beautiful, easy to operate, full information disclosure, low risk, etc. Let consumers have a more comfortable experience in Internet financial products and improve their willingness to adopt them;

3. Improve the legal system and protect consumers' rights and interests: For the Internet financial market, establish an effective management mechanism, improve the corresponding legal system, ensure consumers' rights and interests, enhance satisfaction, and promote the development of the Internet financial market.

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