

Customer Demand Analysis of Internet Consumer Financial Intermediary Services--Research on the Data of Customers Based on Housing Provident Fund Loans

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Abstract

The consumer finance market is developing at a high speed, but the current consumer finance market has a wide variety of products, with mixed resources and opaque fees. The market needs further regulation, and there are other issues such as the bad influence brought by campus loans and nude loans, and the lack of customers' own professional knowledge. The service provides market space. As high-quality potential customers of consumer finance, housing provident fund loan customers have strong representation of consumer financial intermediary services, which deserves further research to facilitate product design and marketing and improve product competitiveness.

Keywords

Consumer finance, the Internet, intermediary services, provident fund loans.

1. Introduction

At present, China's economic development has entered a new normal. The economic growth rate has shifted from high-speed growth to medium-high-speed growth. The economic structure needs to be optimized and upgraded, and the driving force for economic growth needs to shift from factor-driven and investment-driven to innovation-driven. As one of the three drivers of economic growth, consumption, especially online consumption, has become the logical starting point for the cultivation of new economic growth points under the new economic development. Vigorously developing consumer finance has special significance for the sustained and healthy development of China's national economy.

The so-called consumer finance mainly refers to traditional financial institutions such as banks and non-bank organizations, as well as emerging consumer finance companies, microfinance companies, and Internet staging companies that provide consumers with modern financial services for consumption purposes. However, at present, China's consumer finance market is developing rapidly. The consumer financial products market is full of many products. Due to the lack of professional knowledge, the choice of consumer financial products is quite confusing, which leads to the emergence of consumer financial intermediary services. At the same time, because of their stable professional background and income security, housing provident fund loan customers have become recognized as high-quality customer resources of consumer financial products, and their demand is highly representative. From the perspective of customer needs, this paper will focus on what kind of consumer financial intermediary services customers need, and use literature research, questionnaires and other methods to conduct a questionnaire survey on housing provident fund loan customers to analyze customer spending. The important factors of financial intermediary service demand provide reference and guidance for optimizing the product design of Internet consumer financial intermediary services to improve customer experience and product competitiveness.

2. Overview of China's Consumer Finance Market

2.1 The Development of China's Consumer Finance Market

In 2009, the China Banking Regulatory Commission promulgated the "Measures for the Pilot Management of Consumer Finance Companies", and the market reform in China's consumer finance sector began. In 2013, the China Banking Regulatory Commission expanded the consumer finance pilot cities to 12 cities, including Wuhan, Nanjing and Quanzhou. In 2015, the approval authority of consumer finance companies was delegated to the provincial departments to expand the pilot scope to the whole country. In the same year, the State Council issued the "Guiding Opinions on Actively Playing the Leading Role of New Consumption to Accelerate the Cultivation of New Supply Dynamics" and proposed to support Internet finance to promote innovative development, strengthen inclusive financial services and support the development of consumer credit. In 2016, the Central Bank and the China Banking Regulatory Commission jointly issued the "Guiding Opinions on Increasing Financial Support for New Consumption Sectors" to further promote the development of consumer finance. The policy environment has been continuously optimized, and market access has been gradually liberalized. Benefiting from the liberalization of financial policies, the development of mobile Internet and the promotion of the concept of mass consumption, the consumer finance market has shown unprecedented vitality.

According to the relevant data of the China Statistical Yearbook, since 2011, the contribution rate of consumption to China's GDP growth has exceeded 50%, and it has increased year by year. In 2015, it reached a new high of 66.4%, because of the debt of Chinese residents. The ratio of consumer credit to consumption expenditure has increased year by year, from 13.0% in 2011 to 20.7% in 2015. Since 2011, China's consumer credit has increased year by year, with a growth rate of more than 20%. The balance of consumer credit increased from 8.9 trillion yuan in 2011 to 19.0 trillion yuan in 2015.

According to relevant data of international advanced economies, the domestic consumption of the world's advanced economies such as the United States, the European Union and Japan accounts for more than 60% of GDP, and the figure for the United States has been more than 80% for a long time. According to the most conservative assumptions, it is estimated that by 2020, with the average annual growth rate of 10%, the total size of consumer loans will reach 30.53 trillion. Assuming that the proportion of mortgage loans to consumer loans remained unchanged at 75% as in 2015, the size of mortgage loans in 2020 will increase from 14.22 trillion to 27.48 trillion, while other consumer loans will grow from 4.74 trillion to 7.63 trillion, with an increase of 2.89 trillion. The nearly 3 trillion incremental market will be a huge cake for various consumer finance companies.

2.2 Main Products of China's Consumer Finance

At present, China's consumer financial services are mainly composed of three channels. One is the traditional bank credit card; the second is consumer finance companies and small loan companies that emerged after 2007; the third is fast-growing Internet consumer finance companies since 2015.

2.2.1 Credit Cards

According to the People's Bank of China, as of the end of the fourth quarter of 2015, the national bank card issuance increased by 5.40%, and the growth rate was 2.79 percentage points higher than the previous quarter. Among them, the total number of credit cards issued was 522 million, with an increase of 5.02%. The cumulative issuance of credit cards accounted for 11.3%, which was a significant increase from the end of the previous year. In 2014, the average card consumption reached 8587 yuan, with an increase of 13.67% on a year-on-year basis; the average single consumption amount was 2146 yuan, with a decrease of 12.55% on a year-on-year basis. This data fully shows that domestic consumers are becoming increasingly accustomed to credit card consumption, and user habits have gradually formed. However, major banks generally set higher barriers to entry for credit card customers. Therefore, credit card customer groups tend to have a good level of credit and have a strong ability to acquire consumer financial products.

2.2.2 Consumer Finance Companies And Microfinance Companies

In 2009, the policy door was opened, and Bank of China, Bank of Beijing and Chengdu Bank became the first consumer finance companies approved by the state. Subsequently, Industrial Bank and the Postal Savings Bank also entered the market, and the strength of the banking system continued to expand. As of 2016, there were 22 licensed consumer finance companies. The credit control capability, credit data and financial strength provide the banking system with the natural advantage to enter consumer finance. However, the lengthy decision-making process, the complexity of the organizational structure and the lack of Internet finance experience also constrain the competitiveness of the banking system. Because of the special nature of financial licenses, consumer finance companies can obtain low-cost funds through effective channels and rapidly expand through high debt ratios. Microfinance companies lack access to low-cost funds, while leverage ratios and financing methods are subject to many restrictions, which leads to a gradual disadvantage in the competition.

2.2.3 Internet Consumer Finance Companies

Since 2015, Internet consumer finance companies with e-commerce platforms have developed rapidly, such as the "Ant Check Later" based on the Alipay platform and the "Jingdong White Stripes" based on the Jingdong platform. During the "Double 11" period in 2015, Alibaba's consumer credit product "Ant Check Later" announced its record, indicating that the total number of transactions on that day reached 60.48 million. Not only is the volume of transactions huge, but the amount is also very impressive. According to official data, the payment for "Ant Check Later" reached 4.5 billion yuan within half an hour after the start of "Double 11". Similarly, during the 35-minute period of "Double 11", the number of JD.com's consumer credit product "Jingdong White Stripes" surpassed that of the same period in 2014.

At present, the consumer financial market has a wide variety of products, and the adverse effects of campus loans and nude loans have led consumers to be afraid of consumer financial loans. At the same time, consumers lack a wealth of professional knowledge and extensive consumer finance. As people are unfamiliar with loan products, it provides market space for consumer financial intermediary services. However, further research is needed on how to grasp the concerns of housing provident fund loan customers and identify the market and product positioning. In addition, with the rapid development of Internet technology, how to integrate consumer financial intermediary services with Internet technology to provide customers with a better service experience is worth further discussion.

3. Problems in the Consumer Finance Market

3.1 The Consumer Finance Market is Mixed with Good and Bad Product Organizations

At present, China's consumer finance market is developing rapidly. Banking financial institutions, licensed consumer finance companies, microfinance companies, unlicensed Internet installment companies and P2P online lending platforms have emerged in large numbers to provide a wide variety of consumer financial products. The consumer finance market is mixed with good and bad product organizations. The charging method is opaque, the charging standards are different, and the management is not standardized, which has a bad influence on the image of the industry. At the same time, due to information asymmetry and the lack of professional knowledge, customers are quite confused when choosing consumer financial products. It is difficult to choose the appropriate product according to their actual conditions, and customer interests cannot be fully protected.

3.2 The Regulatory System Has Not Been Established

In the face of the emerging and fast-growing consumer finance industry, China has yet to clarify the main body of industry regulation. Banks and consumer finance companies are regulated by the CBRC, and microfinance companies are regulated by local financial offices. In addition to third-party payments, emerging financial institutions are included in the central bank's regulatory system. The supervision system includes P2P platforms, and Internet staging companies. There are no clear entry

thresholds and pre-approval conditions. Only business registration and website filing can be completed. The entire consumer finance industry has not established a complete regulatory system, leading to long-term management, chaos, and constant accumulation of risks.

3.3 The Lack of Credit System

China has not yet established a complete credit information system. The central bank's credit information system involves fewer projects with narrower coverage, and only opens interfaces for banking financial institutions. A large number of emerging financial institutions such as microfinance companies cannot access the central bank's credit information system. Due to the lack of complete credit data, it is difficult to accurately image customers. Due to the lack of important credit control measures, fraudulent loans and frauds have occurred from time to time in the Internet consumer finance industry, resulting in high risk of consumer financial products and loan fees.

3.4 Customer Rights Are Difficult to Protect

Due to the imperfection of information technology and the lack of personal information security protection mechanism in China, it is difficult for customers to effectively protect their privacy information when using Internet financial products. At the same time, because of the particularity of Internet financial transactions and imperfect relevant laws and regulations, there is no relevant agency to specifically resolve transaction disputes in the Internet finance field, which leads to the infringement of customer rights and interests. Therefore, it is difficult to maintain their rights and interests in an effective way.

4. Market Research

4.1 Research Methods

This paper combines literature research, questionnaire survey and SPSS software analysis methods. Through the questionnaire survey of housing provident fund loan customers, the factors that affect customer behavior tendencies are studied from the perspective of customer needs to understand the target customer groups. Consumer credit demand, implementation paths and existing problems provide data support for the feasibility verification of the demand for Internet consumer financial intermediary services. At the same time, it proposes the optimal design for Internet consumer financial intermediary service products, which is more conducive to product design and marketing to be closer to user concerns and improves product competitiveness.

4.2 Sampling Survey Method

Based on gender, marital status, age, income level, and region, housing provident fund loan customers are sampled in groups, and questionnaires were sent via SMS and website.

4.3 The Main Problems Involved in the Questionnaire

- (1) Please provide your basic information, including gender, marital status, children, monthly income, and monthly expenditure.
- (2) What is your major consumption in the past, and major consumption in the future?
- (3) Are you willing to use consumer financial products?
- (4) Have you used consumer financial products?
- (5) Do you have access to consumer financial product information?
- (6) What is the biggest problem encountered in using consumer finance products?
- (7) What are the main reasons affecting the use of consumer financial products?
- (8) What is your acceptable interest rate levels for consumer financial products?
- (9) What is the time period for accepting consumer financial products?
- (10) Are you willing to use consumer financial products to mortgage the property under the name as a guarantee?

(11) Do you need professional institutions to provide consulting services for consumer financial products?

(12) Do you prefer consulting services provided by professional organizations online or offline?

(13) Which aspect do you most concern most about consulting services provided by professional organizations?

5. Result Analysis and Application

5.1 Questionnaire Results

A total of 500 questionnaire samples were sent to housing provident fund loan customers, and 367 valid samples were collected. According to statistics, the results of the questionnaire survey are as follows.

(1) The main consumption situation in the past: tourism, car purchase and decoration were the top three large-scale consumption expenditures in the past, accounting for more than 70%.

(2) The main consumption situation in the future: buying cars, tourism and decoration are the top three large-scale consumption expenditures in the future, accounting for more than 70%.

(3) As for the question "Are you willing to use consumer finance products?", nearly 65% of respondents expressed their willingness to use consumer finance products.

(4) As for the question "Have you used consumer financial products?", about 50% of respondents have used consumer financial products, and most of them use commercial bank consumer credit products.

(5) The access to consumer financial product information includes institutional outlets, online search, friend recommendation as the main information acquisition channels.

(6) The biggest problem encountered in the use of consumer finance products is that loans are the most concentrated problem of feedback, and nearly 30% of respondents lack effective channels to understand consumer financial institutions and product information.

(7) The main reason affecting the use of consumer financial products is considered as interest rates.

(8) In terms of the acceptable interest rate for consumer financial products, more than 50% of respondents can accept consumer credit products at an annual interest rate below 10%.

(9) As for the time period for accepting consumer financial products, 60% of respondents expect the consumer financial product cycle to be less than two years.

(10) For the question whether consumer financial products are willing to mortgage the property under the name as a guarantee, more than 50% of the respondents do not accept property loans such as real estate and automobiles under the mortgage.

(11) As for the question "Do you need professional organizations to provide consulting services for consumer financial products?", more than 50% of respondents think that they need professional organizations to recommend appropriate consumer loan products and services.

(12) For professional services, consulting services are expected to be online or offline, but more than 70% of respondents prefer online services.

(13) More than 60% of the respondents indicate that the most concerned about the consulting services provided by professional organizations is efficiency.

From the cross-analysis results, the service demand of married people is significantly higher than that of unmarried people. The demand for family services of one-child-family is significantly higher than that of families without children or with multiple children, and there is no difference in the gender service needs of intermediaries.

5.2 The Analysis of the Survey Results

(1) The demand for large-volume consumption is strong, and the demand for car purchase, tourism and decoration is particularly prominent.

(2)The demand for consumer financial products is strong, and the proportion of people with experience and future needs is quite large.

(3)Customers are sensitive to the cost and life cycle of consumer financial products.

(4)Customers are reluctant to use existing assets to provide guarantees for consumer financial products, and put forward higher requirements for risk control of consumer financial products.

(5)Customers have obvious preferences for interest rates, non-collateralization and cycles, so there are certain industry barriers.

(6)Customers lacks information channels to understand consumer finance, and there exists the service needs of professional intermediaries.

(7)Customers are most concerned about the efficiency of consumer intermediary services and prefer to use online consumer intermediary services.

6. Conclusions and Recommendations

6.1 Highlight the Brand Effect

At present, there are many consumer financial market institutions and products, with issues of mixed resources, opaque fees, and the lack of effective management and control in the market, which urgently need for further regulation. Customers have strong demand for consumer financial products, but they lack access to consumer finance channels and relevant expertise. Internet consumer intermediaries should first build their own brands and actively use their shareholder background, technology, products and other advantages to establish brand effects and win customer trust.

6.2 Establishan Internet Intermediary Platform

Based on the Uber model, the one-click intelligent distribution and online bidding platform for personal consumer credit demand effectively achieves timely matching of customer needs and market resources. By relying on big data precipitation and customer portraits, it achieves institutional and customer ratings, and effectively manages risks. In addition,it relies on current resources to establish a closed-loop consumer financial services, post-loan monitoring, bad collection, and credit asset securitization services.

6.3 Actively Useexisting Customer Resource

In the implementation process, it is recommended to use housing provident fund loan customers as a high-quality resource, accumulate a batch of seed users, and improve the platform design according to customer feedback. At the same time, it is recommended to actively strengthen financial cooperation with tourism agencies, used car dealers and decoration companies, and to gradually develop market reputation.

6.4 Gradually Establish A Full Chain Platform.

After the initial operation of the intermediary service platform is stable, the financial management module will be gradually introduced to strengthen data aggregation. After the assets mature, third-party wealth management companies and financial technology companieswillwork together to gradually enter the wealth management market based on smart investment and to form a complete personal investment.

6.5 Introduce Closed-Loop Financing

Relevant institutions should cooperate with each otherto promote non-performing asset disposal, credit asset securitization and other work, which forms a closed loop of consumer finance industry. During the operation of the platform, the government should actively introduce government data, business intelligence, credit and judicial data, explore big data risk control models and anti-fraud products, form diversified income, and promote the further development of intermediary service platforms.

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