The Impact of Internet Finance on China's Residents' Consumption

Xuanjie Zhang
Capital University of Economics and Business
Beijing, China

Abstract—In recent years, China's economic development has slowed down and is in a critical period of transforming its economic structure. China's development plays an important role in promoting sustainable economic development. Therefore, the importance of expanding domestic demand should not be ignored. The emergence and development of Internet Finance fill the gap in some aspects of traditional finance, making the level of financial model more abundant. Even in the current downward economic growth, it still promotes the sustained growth of household consumption. This paper tries to analyze the impact of Internet Finance on residents' consumption from a more comprehensive perspective by combining theory with empirical research. Firstly, the author summarizes the current situation of Internet finance development through analysis. Thereafter, the author studies the influence mechanism of Internet Finance on residents' consumption from the perspectives of the increase and decrease of residents' consumption demand, the influence of consumption psychology and the change of consumption mode. On the basis of the above analysis of the current situation and related theories, this paper conducts a quantitative test and empirical analysis of the relationship between household consumption and the development of Internet finance in different provinces of China from the first quarter of 2014 to the first quarter of 2016. Using the panel data model and linear regression analysis method, this paper draws the conclusion that the healthy development of Internet finance will positively affect residents' consumption. Finally, based on the relevant conclusions of this study, the author gives policy recommendations for possible problems and risks, in order to better promote the sustainable development of Internet finance and the rapid growth of consumer spending.

Keywords—Internet finance; Consumption; Impact mechanism

I. RESEARCH BACKGROUND AND SIGNIFICANCE

A. Research background

New concepts such as e-commerce and mobile payment have gradually become close to people's lives. Internet finance has also emerged, such as third-party payment, crowdfunding and other emerging Internet financial models due to their transaction costs. The low price has a strong impact on the traditional financial model represented by state-owned commercial banks, and it also provides an opportunity for innovation in its business. At the same time, traditional consumption habits and intrinsic consumption patterns have also undergone tremendous changes due to the development and rise of Internet finance. The popularity of the Internet in China is very high. As shown in Figure 1.1, the scale of Internet users in China continues to grow rapidly. As of

December 2017, China has already owned 772 million Internet users, and in 2017 alone, it has acquired 40.74 million new ones. Increasing netizens, such a huge market has undoubtedly provided a fertile ground for the development of Internet finance. Many large Internet finance companies have also been born in this context, and many traditional companies use Internet technology to reform and innovate. These new business models are the product of the Internet age, and also profoundly affect the lives of residents, especially consumption. The development of Internet finance has driven the growth of household consumption, which has become a hot spot of social concern.

B. Research significance

The rapid development of the Internet has made the traditional financial industry feel the impact and pressure, and the ordinary residents have experienced changes in consumption habits and consumption patterns. The impact mechanism t is in line with the hotspots of China's high-speed development period, and broadens the research on consumer finance-related fields. In the existing research on Internet finance, it is not common to study its impact on consumption. Today, the popularity of new consumption methods such as Jingdong white strips and ant flower buds, Taobao, Tmall, Vipshop, Jingdong, etc. have become a new world for residents to shop, reflecting the new characteristics of today's residents' consumption, hungry, US group takeaways, etc. The promotion of take-out APP reflects the impact of mobile payments on residents' lives. Internet finance has significantly affected people's lives and promoted the consumption of the masses and the growth of domestic demand. This research has important practical significance.

II. LITERATURE REVIEW

A. Research on the development of internet finance

For Internet finance, some scholars believe that from the perspective of its essential attributes, it reduces the cost of transactions and improves the efficiency of resource utilization[1]. It is a direct and indirect financing method different from traditional finance and has great social value[2]. Internet finance has made up for the shortcomings of the traditional financial model, and it has also adapted to the development of market demand, which is also an important reason for its rise and rapid development[3]. Internet finance can be seen as an unprecedented financial model[4], and its advantages, in addition to driving the innovation of traditional financial models, also provide a new type of financing

515

channels, especially for small and medium-sized enterprises, traditional formal financing channels often have higher requirements for corporate financing[5]. These have formed a hindrance to the financing of small and medium-sized enterprises, and Internet finance can help small and medium-sized enterprises to solve this problem[6]. At the same time, a scholar also believes that Internet finance can help small and medium-sized enterprises improve their financing efficiency[7], because the financing threshold through Internet finance is relatively low, and transaction information is relatively open and transparent, so that funds can be effectively utilized[8]. Therefore, many scholars have proposed that we should pay attention to the supervision of Internet finance and introduce relevant policies to reduce its adverse impact on social and economic development[9-10]. Xie Equality proposed to strengthen supervision from various aspects such as supervision subject, fund custody and information disclosure[2]. In summary, Internet finance, as an unprecedented financial model, closely follows the times and complements the traditional financial industry[11]. However, rapid development is often accompanied by many problems. Internet finance is no exception, so it needs to be effective[12]. The supervision and improvement of the Internet financial service system make Internet finance better serve society and the public[13].

B. Research on Internet Finance and Changes in Household Consumption

As the ultimate goal of production, the role of consumption cannot be ignored for the national macro economy[14]. Paying attention to saving is a habit that our residents have always had. Most of the residents in China are mainly conservative consumption[15]. In the context of the rapid development of the Internet, Chinese residents have also begun to change the psychology of consumption, and habits have also changed[8]. However, traditional consumption habits cannot be easily changed by income growth alone. The growth of consumption and the change of consumption habits need to be driven by new consumption patterns, giving new incentives for residents to consume[11]. The role of consumption is self-evident, and the development of Internet finance is profoundly affecting household consumption. Internet finance can't only improve the efficiency of financing, but also play an important role in stimulating the vitality of the consumer economy[16]. Internet finance stimulates consumption growth, which in turn drives the development of the real economy, especially the development of third-party payment, which largely affects household consumption [10]. In addition, the growth of online consumption has also benefited from the development of Internet finance. In the context of Internet finance, the third party payment system can save time and cost of transactions, make up for the drawbacks of traditional transactions, and greatly improve macroeconomic benefits[1]. At present, Alipay, which is deeply in our lives, is a typical example of third-party payment by Internet finance. Its emergence means that Internet finance will have a huge impact on residents' consumption patterns and consumption habits in the future[17].

At present, there are few studies on the relationship between Internet finance development and household consumption, but the research on Internet finance and

household consumption is of great significance[1]. By combing the status quo of Internet finance and consumption, analyzing the impact mechanism of Internet finance on household consumption, it is helpful to use consumption to stimulate domestic demand and promote the sound development of the economy[16].

III. STATUS OF CHINA'S INTERNET FINANCE AND CONSUMPTION DEVELOPMENT

There are different classifications for the development of Internet finance. According to its definition, the classification of the mainstream academic methods is rough as follows.

1) Third-party payment

As a kind of online payment mode, third-party payment is provided by an independent organization. Generally speaking, such independent institutions have strong strength and good reputation guarantee capability. The organization directly signs contracts with banks through online trading platforms. In the background, docking with the bank's payment settlement system (Liu Xiaolin, Xu Changchang, 2009). The rise of e-commerce platform and the actual demand for online shopping have promoted the development and popularization of third-party payment. As an important part of third-party payment, Internet payment and mobile payment have been integrated into the daily life of residents, whether online or online. Underneath, you can easily find its figure, affecting the consumption habits of residents with a wide range of applications, and also promote the transformation of traditional business models. Alipay, Tenpay and UnionPay's business market share is in the top three of third-party payments, forming a three-pronged situation. The picture below shows the scale and growth rate of third-party payment transactions in China in recent years.

2) P2P network lending

P2P (Peer to Peer) network lending is an individual-to-individual lending model that relies mainly on the network. It will not be restricted by geographical restrictions, reduce the cost of transactions, rely on the Internet to conduct transactions, and face a wide range of groups, opening up new channels for private financing. Therefore, its emergence can alleviate the financing problems of SMEs to a certain extent and promote the development of SMEs. But this is also to play its role under a sound regulatory system. Due to the current imperfect regulatory system, the problem of P2P network lending has emerged in an endless stream and needs to be resolved.

3) Crowdfunding financing

The occurrence of crowdfunding requires three components. The first is the fundraiser who needs to raise funds. It can be an individual who wants to start a business or a company with insufficient funds. Secondly, the funder. In most cases, the funders are all ordinary people. Composition; connecting fundraisers and funders are a crowdfunding platform that exists as an intermediary. The reason why crowdfunding can be popular is because it implements the mode of "most people support a few people", and it runs on the basis of social networks, so it can spread in a short time.

4) Big Data Finance

The core of big data finance is the mining and analysis of data. With the rapid development of Internet technology, it is possible to analyze and sort out massive data, and big data finance can open the data as an emerging financial business. Analyze and complete accurate feedback to make financial services more targeted and improve the efficiency of financial services (Zhu Xinyue, 2016). The realization of big data finance is based on the development of the Internet. It provides tools for the collection and recording of enterprise data. In turn, enterprises can understand the needs of customers and promote business reform by processing and analyzing massive amounts of data.

Residents' attitude towards online shopping is obvious. The power of online consumption cannot be ignored. In 2016, the physical products sold on the online platform have already accounted for more than 10%. Internet consumption means convenience and instantness, and it means more choices. In the current era of emphasizing the concept of "Internet +", any consumer product linked to the Internet has unlimited potential. The development of mobile payment has greatly promoted the growth of online consumer demand, and more and more people are beginning to use supply chain finance such as JD. The rapid development of third-party payment under the Internet financial model makes consumers' consumption behavior more convenient, and also provides security support for consumers' consumption behavior. Compared with traditional consumer behavior, online consumption makes consumers feel less loss of money when paying. The payment amount seems to be just a meaningless number, which makes consumers' consumption emotions stimulated, and more Consumer credit has further lowered the threshold for intertemporal consumption and stimulated consumer enthusiasm. Therefore, it is necessary to conduct research on the impact of Internet financial development on changes in household consumption.

IV. THE IMPACT

A. *The impact of Internet finance on consumer demand*

The so-called consumer demand refers to the amount of demand that has the ability to pay in the current period and is willing to pay. The size of the demand is generally determined by two factors, as well as the current disposable income and the price of the commodity. Nowadays, the Internet financial model is in a stage of continuous innovation and innovation, and the consumer demand of residents will change accordingly.

The first change is that consumption will be changed through Internet finance, and the budget constraint will change and expand outward. Because in the Internet financial model, the consumption form of installment payment is very common, it can be seen as the increase of current income, and the amount you need to pay is split into multiple periods to pay separately, the current payment amount becomes less, and the budget constraint is outside the line. Expanded, consumers have the ability to buy more goods, so there are more goods for consumption in the current period; there is a stronger ability to pay. In the case of installment payment, the current payment is reduced, conceptually equivalent to the reduction of the product price, and the budget constraint moves in the same direction.

The second change, the price of goods becomes more transparent, and the open price becomes possible. Through the analysis of big data, consumers can't only understand the sales price of the same product on all major platforms, but also understand the price changes of the most recent time of the product, making it easy for consumers to select the most affordable products. The rise of low-price strategies and group purchases has also boosted consumer spending and increased consumption.

The third change is that Internet finance relies on the development of the Internet. Its convenience and reduction in time cost have greatly increased the consumer demand of residents. All along, the main force of Chinese consumption is urban residents, and China's large rural population undoubtedly contains huge potential for consumption to be tapped. The mobile Internet has liberated the consumption potential of rural residents, enabling them to have the same opportunities to purchase goods as urban residents in areas where materials are not abundant, convenient online payment and China's developed logistics system, so that rural residents can also integrate Into the Internet consumption wave. Internet finance has become a weapon to stimulate consumption. More and more people are implementing cross-regional purchases, and more and more people are facing private subscriptions under big data, which makes potential consumer desires stimulated, and installment payments and leasing further motivate them. Press the button for payment.

B. *The impact of internet finance on consumer psychology*

Regardless of any form of consumer behavior, consumer psychology is involved, and online consumption is no exception. The impact of consumer psychology on the results of online consumption is huge. The ups and downs of consumer psychology in the process of consumption may cause huge changes in consumer preferences and change consumption results.

If consumers have a strong desire to buy a certain product, but suffer from the inability to complete all consumption in the current period, Internet finance provides consumers with more choices, through a variety of models, such as installment payments, etc., to make consumption The purchasing power of the person has been significantly improved. Consumer psychology exerts influence on consumers in a subtle way. Internet finance gives consumers an opportunity to consume, so that consumers have the ability to increase current purchases.

Consumers have increased their current purchasing power, and potential consumer desires have been triggered, increasing the impulse to consume. For example, the products seen in the circle of friends and friends will affect the consumer psychology of consumers. The recommendation from friends will increase the consumer's trust in the goods, and the consumption behavior will increase. In the major e-commerce platforms, the exquisite introduction pictures and detailed explanations of the products will give consumers a huge impact on the senses and stimulate their desire for consumption. Some platforms also offer opportunities for consumers to experience the product for free. In the case of a good experience, consumers may choose to purchase to leave the product to

continue to use. The accurate push for consumers under the big data that is now mentioned by many people will also increase consumers' desire to purchase and tap potential consumers. Consumer preferences are constantly changing, and the decline in consumer liquidity constraints corresponds to an increase in utility levels. Nowadays, the security psychological problem is still an important reason for many people to accept low network consumption. Network consumption will undoubtedly need to work towards a more standardized direction. Only the safety psychological problem of residents' network consumption will be eliminated, and network consumption will increase for consumption. The promotion will be more prominent.

C. The impact of Internet finance on consumption patterns

The Internet financial model has also given consumers a huge impact on consumption patterns. A variety of new types of consumption have been explored and selected, such as the recent hot rental consumption, more and more frequent credit consumption, distinctive "home" consumption, etc., the more diverse the consumption pattern has given more consumption and more Fine selection has greatly satisfied the consumer demand of the people.

However, in real life, because of its virtual nature, the network has been a "spoof" hotbed, and the incident of consumer network consumption being deceived is also endless, which makes many people have different degrees of the taboo on online consumption, hindering the healthy development of online consumption. On the one hand, most of the online consumption can't access the physical goods, consumers need to provide a simple evaluation of the goods through the pictures, text introduction and buyer evaluation provided by the platform, and the limited information acquisition channels make the fraud become relatively simple. A large number of fakes and swipes allow consumers to play a 12-point spirit in the face of merchandise, and complete the whole process of shopping with fear, this kind of consumer experience is not ideal. Consumers' rights and interests after online consumption need to be better protected. Only a more honest and secure Internet shopping environment that allows consumers to be assured can fully tap the consumer's consumption potential to maximize consumption.

More and more Internet-based credit consumption and installment payments have also made more and more people

aware of the credit risk brought by advanced consumption. Advance consumption has stimulated the consumption potential, which has improved the current purchase volume, but also brought more long-term repayment pressure to consumers. Consumers' breach of contract in Internet consumption is not uncommon, and the relevant credit mechanism the perfection is very necessary. Internet finance has promoted the development of China's economy and stimulated residents' consumption. However, we cannot ignore the problems and risks that come with it. We need to find effective ways to resolve them one by one.

V. EMPIRICAL STUDY ON THE IMPACT OF INTERNET FINANCE ON RESIDENTS' CONSUMPTION

A. Variable selection and data source

In a wide variety of Internet finance models, it is difficult to select an absolute financial model for objective research and analysis. Sex analysis has become a necessary choice. The selection of indicators must be comprehensive and general, and the Internet financial development index just meets this characteristic, so I choose it as one of the independent variables. The author chooses per capita consumption (con) as the explanatory variable, and selects per capita income (inc) and Internet financial development index (int) as explanatory variables.

In order to obtain the universal relationship between Internet finance and household consumption in China, according to the availability of data, this paper selects the per capita disposable income, per capita consumption expenditure and internet finance in the first quarter of 2014-the first quarter of 2016 in 31 provinces. Provincial quarterly data for the development index. Since the Internet Finance Development Index is monthly data, this paper uses the aggregated average method to convert into quarterly data, and the per capita consumption expenditure of per capita disposable income is quarterly. The data in this paper mainly comes from the official website of the Ant Financial Research Institute and the National Bureau of Statistics.

B. Descriptive statistics

The descriptive and correlation coefficients for each variable are analyzed in the table below.

TABLE I.　　DESCRIPTIVE STATISTICS FOR EACH VARIABLE

	Average	Standard Deviation	Kurtosis	Skeness	Number of Observations
Per Capita Consumption	8896.56	5839.48	6.43	1.60	279
Internet Financial Development Index	212.96	136.9944	6.70	1.75	279
Per Capita Income	12301.0	8237.601	6.90	1.69	279

Source: Ant Financial Research Institute, National Bureau of Statistics website data

TABLE II.　　CORRELATION COEFFICIENTS OF EACH VARIABLE

	Per Capita Consumption	Internet Financial Development Index	Per Capita Income
Per Capita Consumption	1		
Internet Financial Development Index	0.7318	1	
Per Capita Income	0.9958	0.7160	1

As shown in the table, the correlation coefficients of per capita consumption expenditure and regional Internet financial development index and per capita disposable income are 0.7318 and 0.9958, respectively, indicating that per capita consumption expenditure and these two variables have a statistically high positive correlation.

C. Stationarity test

Stationarity needs to be done before the model is built to avoid the occurrence of "false return". If the study produces "false regressions" because of the lack of stationary experiments, the results of statistical analysis are meaningless. The first thing to do is the unit root test of the variable.

TABLE III.   UNIT ROOT TEST RESULTS (ORIGINAL DATA)

Variable	LLC Test (p Value)	Breitung Test (p Value)	IPS Test (p Value)	ADF Test (p Value)	PP-Fisher Test (p Value)	Conclusion
con	0.0000	0.0980	0.000	0.0000	0.0000	smooth
int	1.0000	0.9997	1.000	1.0000	1.0000	Non- smooth
inc	0.0000	0.2129	0.000	0.0000	0.0000	smooth

It can be seen from the table that con and inc belong to stationary data, and int belongs to non-stationary data. Therefore, by taking the logarithm and then performing the difference, the three variables are converted into the same-order stationary data, so that further regression analysis can be performed.

TABLE IV.   UNIT ROOT TEST RESULTS (DATA AFTER DIFFERENTIAL CONVERSION)

Variable	LLC Test (p Value)	Breitung Test (p Value)	IPS Test (p Value)	ADF Test (p Value)	PP-Fisher Test (p Value)	Conclusion
Δlncon	0.0000	0.0096	0.0005	0.0003	0.0005	smooth
Δlnint	0.0000	0.0342	0.0000	0.0000	0.0000	smooth
Δlninc	0.0000	0.0150	0.0010	0.0008	0.0038	smooth

As shown in the table, after the logarithmic transformation of the variables con, int and inc, the difference is taken. Through the unit root test, the variables Δlncon, Δlnint and Δlninc are stationary sequences. Therefore, the following variables can be directly transformed.

D. Regression analysis

1) ermining the form of influence

Before establishing a specific regression model, you should first determine whether the model is a random-effects model. This paper uses Hausman to test whether the model is a random effect model.

TABLE V.   HAUSMAN TEST RESULTS

Test Summary	Chi-Sq. Statistic	Chi-Sq. d. f	Prob.
Cross-section random	10.687968	2	0.0048

The Hausman test statistic is 10.687968, the p-value is 0.0048, less than 0.05, below the significance level of 5%, rejecting the null hypothesis, not the random-effects model, and should choose to establish a fixed-effects model.

2) Determining the model form

The basic model of panel data has three forms, variable coefficient model, variable intercept model and invariant coefficient model. For the selection of the specific panel model form, the F test is usually used to determine which of the above panel models.

TABLE VI.   MODEL SELECTION

Model form	Variable coefficient model	Variable intercept model	Constant coefficient model
Adjusted R-squared	0.992782	0.990175	0.990884
F Test	370.2542	778.9174	13425.16
Sum squared resid	0.647773	1.222976	1.293071
D-W Test	1.907117	1.924872	1.814950
N=31 K=3 T=9			

Note: N is the number of individuals, indicating 31 provinces and cities; K is the number of variables; T is the time span

According to the regression parameters of different models, the value of F statistic can be calculated, F_2=0.101, find the corresponding critical value at 5% significance level, F(180,186), because F(180,124)>0.101, can't reject the original Assume, therefore, that a constant coefficient model should be established. Combined with the results of the previous Hausman test, this paper should establish a fixed-effect invariant coefficient model. The model form is:

$$\Delta\text{lncon}_{it} = \alpha_i + \beta_2 \Delta\text{lnint}_{it} + \beta_3 \Delta\text{lninc}_{it} + u_i$$

α_i is the intercept term, β_2 and β_3 are the variable coefficients, u_i is the random error term.

3) Empirical Analysis

Since the number of cross-sections of the data used in this paper is greater than the number of time series, in the regression, the choice of weights is based on cross-sections weights, which can allow heteroscedasticity in different sections. Estimation method this paper uses PCSE (Panel Correct Standard Errors) method, which can effectively deal with complex panel error structure. It is especially useful when the sample size is not large enough. It is suitable for the panel data of this paper.

TABLE VII.   REGRESSION RESULTS

Variable Δlncon	Model 1	Model 2
Δlnint	5.242314*** (0.0000)	0.118540*** (0.0002)
Δlninc		1.021362*** (0.0000)
Adjusted R-squared	0.165004	0.998363
F Test	2.574512	4708.274
DW Value	1.517691	2.290796

Note: *, **, *** are significant at 10%, 5%, and 1%, respectively; (p) is displayed in ()

According to the regression results, the goodness of fit of the model is high, and the F test and DW test are passed. The regression coefficient is tested by t test, and the sign of the variable is consistent with the sign of the long-term equilibrium relationship. In model 1, Δlncon is the dependent variable and Δlnint is the independent variable. The regression results show that under the 1% significance level, regional Internet financial

development has a significant positive impact on per capita consumption expenditure; in model 2, the variable Δlninc is added to the model. The results show that under the 1% significance level, regional Internet financial development still has a significant positive impact on per capita consumption expenditure, and per capita, disposable income has significant positive for per capita consumption. It can be seen that the higher the degree of development of Internet finance, the more convenient the trading environment and the better the consumer experience, so that the residents' consumption is more free from the constraints of time and space, so that the residents' consumption is fully The stimuli are thus growing rapidly. Internet finance has penetrated into our lives and has an impact on us in terms of our consumer behavior. With the rapid development of Internet tools, combined with more popular and convenient consumer credit, we have more consumer choices and investment channels through the use of Internet finance. The improvement of consumption power is only one aspect. The changes in consumption patterns and consumption scenarios are equally rich and diverse. . All of this makes residents' consumption patterns different from the past, thereby increasing consumer demand and enhancing spending power. The rapid development of Internet finance has provided new ideas for solving China's domestic needs, making China's financial service hierarchy more diverse, filling gaps in many aspects, and having important significance for the formation of new economic forms.

VI. CONCLUSION

A. Research conclusions

Combining the above analysis, the variables proposed are used, using the sample data of per capita consumption expenditure, per capita disposable income and Internet financial development index of 31 provinces and cities in China in the first quarter of 2014-2016, using the fixed influence invariant coefficient model and The cross-section weighted estimation method empirically analyzes the impact of per capita disposable income and Internet financial development index on household consumption, and can draw the following conclusions:

The regression results show that the influence of Δlnint on Δlncon is significantly positive; indicating that accelerating the development of Internet finance can indeed increase household consumption expenditure. From the current situation, combined with the mechanism, after analysis, we can know that Internet finance is developing rapidly, and the impact of Internet finance on residents' consumption behavior is multi-layered and huge.

The timeliness and convenience of using Internet tools, combined with the increasing diversity of consumer credit forms, have become more and more close to people's livelihood and easy to obtain. Internet finance has entered thousands of households, affecting residents' spending power and consumption in large and small places. The way and the consumption scene, thus, have affected and changed the consumption behavior patterns of residents, increased the consumption power of residents, and stimulated the consumption demand of residents. Combined with the above empirical analysis results, the author got some inspiration. And

the rapid development of Internet finance can effectively solve the problem of insufficient domestic demand in China, making China's financial service level more abundant, and at some level, completing the work that traditional finance cannot cover, forming a new economic form, at the same time The Internet needs of ordinary people have been fully satisfied, and the concept of inclusive finance has been well-practiced and embodied.

While we are seeing the gratifying changes brought by Internet finance, we should also pay attention to the problems that may exist. We must implement better supervision of Internet finance and provide consumers with a healthier and more secure. The Internet consumption environment will stimulate residents' consumption behavior to a greater extent, expand domestic demand, and contribute to the sound development of the national economy.

In summary, as a whole, as long as we strengthen management and improve the system and develop Internet finance, we can tap more consumer potential, stimulate residents' desire for consumption, further stimulate residents' consumption, and have a very positive impact on China's national economic growth.

B. Inadequacies

It has not been a long time, but there are not many scholars who pay attention to such research. By combing the existing research, it is found that the theory of Internet finance is not yet mature. At the same time, this paper only analyzes the situation from the first quarter of 2014 to the first quarter of 2016, and there will be some impact on the timeliness. On the other hand, this paper does not consider the consumption structure in terms of measurement, and only considers the household consumption expenditure. The factors affecting the change of residents' consumption are various. This paper only uses the relevant representative variables, and because the history of Internet finance is not long, the development time in China is limited, and there are many difficulties in accurately measuring it. Therefore, the research cannot achieve the purpose of accurately portraying the relationship between Internet finance and changes in the consumption of Chinese residents. Internet finance is in a period of rapid development. There are still many problems and risks. The stability of development is doubtful. The issue of consumer rights protection has not been discussed, and the impact of Internet finance on residents' consumption is not affected. It is not well covered and needs further research.

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