

On Network Financial Status and Development Strategy

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Abstract. Since the advent of the Internet, network economic revolution is across the world. Liquidation, network online securities, currencies, network insurance online, Internet banking, and other forms of new financial severely impact the traditional financial concept and form. Network financial era has arrived. In the new economic environment, network financial industry must pay attention to the development of network finance, and should establish corresponding development strategy in accordance with the specific circumstances. Based on the viewpoint of network financial background, this paper analyzes current status of network finance and puts forward the corresponding development strategy aiming at the existing problems.

Network Financial Overview

A. Current status of network financial development of our country

In 1970s, financial electronic was implemented in our country, which laid a solid foundation to carry out network financial. After nearly 40 years development, now the operational framework and basic technics for network financial have formed.

a. The basic framework scale of financial data communication network has been initially formed

Wide application of electronic data interchange technology is the biggest characteristic of network finance, and financial data communication network is the basic framework of the entire network financial. In 1991, People's Bank of China operated Financial Satellite Communication Network. To the present, it has covered all parts of the country economy and the vast majority of developed counties, up to now it have become China's largest satellite data communication network. At the same time, China telecom and financial institutions worked together and established in 1996 Zhongyuan Financial Data Communication Network Co., LTD. The company's duty is to construct China's financial data ground communication backbone network. The built two backbone networks lay a solid foundation for development and construction of China's financial network.

b. Electronic transform traditional business processing

Based on the formed financial backbone network, the current our country's financial institutions also successively developed a series of application systems and software, which preliminary implemented electronic processing traditional financial business. Financial tax information system, national electronic bank system, China securities trading system, financial information system are the main financial satellite communication systems. Development and application of these application systems and financial communications network greatly expand and strengthen financial data transmission between various financial institutions and electronic payment system, realize financial business throughout city and even the national scope, provide customers with convenience, increase the service quality and work efficiency of financial institutions, increase financial transaction safety and reliability, reduce labor intensity, fundamentally change traditional financial business approach, and improve social economic benefits significantly.

c. Develop new financial services

In 1993, China conducted national foreign economic and trade information network project, electronic money project, and national public economic information network engineering. On this basis, special VAT invoice receiver audit system engineering and network security, network bank, network insurance, payment, etc. were put forward. Through the network, the financial new

transmission system, such as, all kinds of remittance system, corporate banking system, POS/EFT system, online securities trading system, automatic clearing system, family banking system, ATM system, provide great convenience for our customers.

B. The characteristics of the network finance

Through the comparison of network finance and traditional finance, the biggest difference is that the two take different technical foundation. Receiver network brings technology improvement and development in the financial sector. The key is that change appears in industry idea and operation mode level.

a. Virtualization and informatization

Financial markets inherently belong to virtual information market. Both production and circulation are information. Asset price belongs to the value of the asset information, and financial institutions provide financial advisory services. Intermediary services also belong to information, and money belongs to wealth information. The introduction of network technology not only can strengthen financial information features, but virtualize finance practice operation. Such as virtualization management process, all the network financial services use electronic digital, and all the business processing is by the digital network of credit card, bank account management system, online service system, and electronic currency.

b. Economy and high efficiency

By comparing with the traditional finance, applying Internet technology leads to more advanced way of handling business and financial information, which greatly enhances the degree of automation and systematic, and breaks through space and time limitation, be fast and convenient, provides flexible and diverse financial services to customers, then, its efficiency is higher. Network finance could make the connection between customer and financial institutions from counter contact to network interactive contact. This not only can shorten and feedback market information, but also provides effective help for customer and market-oriented developing strategy's sustained and in-depth development financial innovation. Virtualization network finance is analyzed based on operating costs. In the process of more efficient services to customers, there is no need to bear the expenses such as staff, management place, so the economy is significant. Especially the implementation of quickly collection, transmission, processing information will lead to more fully transparent information disclosure of financial markets, and more obvious disintermediation trend. Trading can directly bypass intermediaries, and more close relation between market supply and demand.

c. Integration

Network finance plays a great role in promoting the development financial mixed management, whose reasons are: one is in the links of the whole financial industry network, there is a system with customer asset management, bank accounts and insurance fund management, securities account and all financial information for integration management requirements; Second, gradually developed network technology can effectively perform financial institutions and information transmission and processing on a large scale, in order to greatly strengthen financial products innovation ability, which can be presented to the user more personalized financial services and there is special financial institutions homogeneity obvious trend; Third is network technology reduces operating costs of financial markets, and correspondingly promote the disintermediation degree of financial markets and market transparency, thus there is more competition in the financial market, diversified financial services and department store universal banking.

Network Financial Development Prospects

Under the influence of electronic commerce, worldwide triggered business and commerce revolution spread to a wide range. It also reveals the historical period is shifted from traditional economy to global digital economy. Especially the progressive developments of online banking such as network security, network financial business correspondingly accelerate global financial integration and the trend of economic integration. And in this process, there is not only opportunity,

also challenges. When China's financial institutions are able to seize the good opportunity of development, actively respond to challenges, the establishment of the new network financial development strategy is to solve the problems of China's financial industry at present.

A. Challenges and opportunities

Globalization not only is the key foundation of network finance, but the most important characteristics of the Internet. The completion of completing organizational system network financial business makes its customers not just limited to a certain area range, but customers have global features, at the same time, financial industry faces global competition. For network financial service providers, it is not a rare development opportunity, which is a more serious adjustment. Problems of the current our country financial industry must be first considered is that how to expand the source of customers, provide customers with timely perfect financial services based on such a fierce competition in order to achieve a set of perfect working mechanism set up as soon as possible.

B. Problems existing in the development

According to the hardware analysis of network finance in China, although the total amount is obvious, and has begun to take shape and has effect of financial network, in our country with such a large population base, the network volume seems smaller, which shows weakness of large risk, small volume, small range of customers, etc. According to the author's summary, it basically has the following performances:

a. Network financial environment has not been fully established

Financial informationization in China has 30 years development, and provides strong support for the development of our country electronic commerce and network economy, but compared with the developed countries abroad, the existing gap still appears relatively large. In addition, the bottleneck factors of network financial development in our country are serious lack of social credit system, imperfect financial laws and regulations, and not perfect financial industry communication infrastructure in our country, etc.

b. Financial industry lacks risk awareness of network financial business

By comparing with developed foreign countries, although the financial informationization in China has been initially formed, under the influence of late started network financial business, it leads to financial institutions in our country has not yet fully understand network financial business risks associated with technology, in particular, it did not adjust management mechanism and internal organization, and not perfect risk management measures. This makes network financial business personnel less creative and not fully initiative, and risk management measures didn't achieve effective. At the same time, there were no timely reforms of financial regulation authorities. In basic financial services on the Internet, the old regulation method and regulatory model are difficult to adapt to the program. At present the major problems facing financial institutions and financial regulatory authorities are to strengthen network financial business risk consciousness, targeted, effective and scientific regulatory network financial business.

c. The financial certification system is not yet perfect

Healthy development of network financial service is the basis of financial certification system safety, and this has direct impact on network financial system, bank safety, customer benefit. Since the establishment of China's financial certification center, the number of the examination and approval authority registered through the center also seems to be especially less. The certification system of our country is affected by information trade technology barriers, RSA key figures implemented is 512, but the domestic SSL communication equipment symmetric key is 40. The contrast is 1024 bits RSA key abroad, symmetric key produced by domestic SSL communication equipment is 128 bits, and the gap is obvious. This asks necessary domestic certification reform system.

d. To form a complete set of perfect network financial laws

Financial business in our country carried out is fast, combing with China's rapid development of the Internet, but it forgets finance business carry out relevant laws and regulations which do not perfect match. This kind of situation will lead to particularly serious credit risk and legal risk for China's financial institutions engaging in the corresponding network financial business. However,

our country define the law of network finance according to laws and regulations of the past, business has a set of matching complete laws and regulations.

C. The forecast of the development trend in the future

According to the above researches in our country existing problems in network financial, according to the author's experience, we will be able to predict the future trend of the development of network finance in China.

a. The entire financial system integrates with each other, and network finance provides facilitates for financial enterprises and full range of one-stop financial services to clients.

In recent 20 years, the gradual increase of whole world merger and reorganization trend of financial industry leads to gradual development direction for the integrated business, at the same time; it also reflects the trend of current financial services development into comprehensive business integration. Travelers mergers citigroup, and it is one of the typical cases. As a sphere of influence of international bank around the world, citigroup develops its services covering much more than 100 countries and regions, where the branches set up by more than one thousand, and citigroup issued credit card worldwide is one of the most. Travelers is one of the largest companies engaged in insurance and investment within the scope of the company, and it is engaged in the field of business such as life insurance, property management, financial news, investment management, etc. And the combinations of two big companies is bound to maximum full play advantage of the two companies, and also let the bank developed into universal financial service with insurance, investment, banking, and make the whole enterprise market advantage and competitiveness greatly enhanced.

b. The future financial sector electronic data exchange capacity will present geometry number increase, and intelligent decision support system will eventually permeate into individual clients' wealth management services.

Because of our country residents' improving sustainable living standards, this leads to financial business increase, and consumers more concern how to acquire the riches of the corresponding value in the middle of wealth management services. Electronic data interchange at present is in geometry number growth process and the first priority intelligent decision support system facing is to obtain useful information, and carry on correct financial decisions.

c. The modular internal management, real-time and virtualization of business services

By comparing with the traditional financial services, developed network finance has more modular thought with computer system. All business functions is equivalent to small module of large system, which makes the implementation of the corresponding management process also has modular thought. From the point of view of network financial, it relies on safe high-speed computer network. This leads to engaging in business scope of real-time trading way and virtualization.

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