ANALYSIS AND SUGGESTIONS OF E-COMMERCE FINANCE

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ABSTRACT

There are many ways of doing Internet finance. Among them, e-commerce platform has a high degree of economic participation, which has great impact on the economy, thus forming the branch of Internet finance, e-commerce finance. It is of great significance to study the problems existing in the financial industry of e-commerce industry and the development of the Internet finance industry. This paper analyzes the existing problems of e-commerce and puts forward some suggestions to improve the problems of e-commerce in China.

1. INTRODUCTION

E-commerce finance is an emerging field combining traditional financial industry with Internet spirit. It belongs to the branch of Internet finance. It includes P2P lending, third-party payments, mobile payments, and big data finance [1]. E-commerce finance has grown rapidly from the beginning. From the beginning of taobao, Tmall, jingdong mall, to today's suning tesco, Vipshop, jumei, etc. More and more e-commerce platforms fill our lives. Due to the rapid development of e-commerce, the development of e-commerce has caused a series of problems in its development process. Therefore, it is of positive significance for the analysis of e-commerce financial problems [2]. Based on the current situation and prospect of e-commerce finance, this paper analyzes the problems faced in the development of e-commerce and puts forward some Suggestions to solve the problems of e-commerce.

2. CURRENT SITUATION AND PROSPECT OF E-COMMERCE FINANCE

2.1 Current situation of e-commerce finance

According to the China electronic commerce research center released the 2015 (on) the Chinese e-commerce market data monitoring report, in the first half of 2015, the electronic commerce market scale reached 7.63 trillion yuan, increased by 30.4% compared with the previous year. Among them, the B2B service market reached 5.8 trillion yuan, an increase of 28.8 percent compared with last year [3]. The online retail market also has 1.61 trillion yuan, up 48.7 percent from the previous year. From the above data, we can see that in the e-commerce market, B2B market is the largest and the proportion of online retail is increasing. China's e-commerce market is both large and growing. E-commerce finance has become the new backbone of economic growth.

2.2 The development prospect of e-commerce finance

The internationalization trend of e-commerce is obvious. In contrast with the downturn of foreign trade, China's cross-border e-commerce industry is gaining momentum. In the first half of 2015, the transaction volume reached 2.5 trillion yuan, with a growth rate of 30%. In cross-border e-commerce, the relevant transaction information is open and transparent. Cross-border e-commerce services are more direct than traditional international trade, without too many middlemen and too many trading links

[4]. Therefore, the cost of e-commerce services is lower and consumers can gain more benefits. Cross-border e-commerce services actually embody a new trade rule. This new trade rule is good for building new value chains. At the same time, the government has introduced a series of policies to encourage the development of cross-border e-commerce, and e-commerce finance is going international.

E-commerce finance is international, and it pays attention to the development of rural areas. With the development of e-commerce, the market of the city will gradually become saturated. To develop better, e-commerce finance should not abandon rural market. In recent years, more and more online shoppers in rural areas, the number of villagers selling agricultural and sideline products on taobao has been increasing [5]. This shows that the rural masses are becoming more receptive to new things like e-commerce. This provides a realistic possibility for the further development of e-commerce finance in the countryside. In recent years, e-commerce platforms such as alibaba, jd.com and suning have all entered the rural market. For example, alibaba group's "qianxian wan village" plan, jingdong mall's "jingdong gang" service, etc.

3. THE PROBLEM OF E-COMMERCE FINANCE

3.1 The infrastructure of the e-commerce financial system is weak

E-commerce finance is a financial model developed using the Internet. If you leave the network, e-commerce will be hard to come by. So, one of its most important infrastructure is the infrastructure of the network. However, in the current stage of China, the infrastructure conditions of the network are not perfect enough to meet the needs of e-commerce development.

For e-commerce, after completing the order online, it is necessary to transport through logistics, so another important infrastructure of e-commerce finance is the logistics system. However, there are many areas in China which are not convenient because of the landform and landform. There are a large number of towns that have not set up the logistics agency.

3.2 Internet finance technology is not mature enough, and there are risks

The development foundation of e-commerce finance is network, so the threat of computer network risk to e-commerce is huge. The first is the threat posed by trojans. Using the Internet, Trojan virus can spread quickly. Even if only part of the program is infected, it could threaten the entire

Internet. The second is the threat posed by data security risks. E-commerce platform has a large amount of core data resources, and the openness of the network makes the electric business platform of information disclosure or loss of extremely easily, at the same time, the criminals to steal the user information on the Internet for their own benefit for fraud. At present, many e-commerce enterprises, lack of computer network professionals. This has caused many e-commerce enterprises to manage the network and maintenance work, which greatly increased the risk of the Trojan attack.

3.3 The regulatory system is imperfect, and the social credit system is lacking

The e-commerce finance industry is developing rapidly, but the regulatory system of e-commerce finance and the development of laws and regulations are relatively lagging behind. The relevant institutions also did not establish uniform and standardized industry self-discipline mechanism. This has caused the external supervision system of the e-commerce industry to be imperfect and the legal risks are high. The inadequacy of external supervision system and the absence of laws and regulations make the e-commerce industry a hybrid. Many illegal small businesses swoop in, taking advantage of the blind area of the law and the loopholes of regulation to seek illegitimate benefits. This has created an internal turmoil that has slowed the pace of the e-commerce industry.

The lack of internal monitoring is also very bad for the development of e-commerce finance. The lack of internal monitoring can weaken its binding force on employees, so that employees can disclose customer information or joint merchant fraud risk in order to seek improper interests. The lack of internal monitoring will also result in lower audit efforts for merchants entering its e-commerce platform. This is to relax the market access mechanism of the merchants, so that fake and shoddy products frequently appear and harm the interests of customers.

The lack of a complete social credit system increases the credit risk of e-commerce and also harms the positive development of e-commerce industry. E-commerce finance is based on the Internet platform for transactions. This allows the two sides of the transaction to complete the transaction without being seen. This type of trading certainly has its convenience, but it also raises the issue of credit risk. It is extremely difficult to verify the identity of both parties when conducting transactions on a network platform. This puts both sides of the credit risk. Especially for buyers, sellers' credit can only be obtained through online evaluation and store evaluation, which can be falsified.

4. TO SOLVE THE PROBLEM OF E-COMMERCE

4.1 Strengthen infrastructure construction

To better develop e-commerce finance, we must strengthen the construction of network infrastructure and logistics system. The government should step up investment in network construction, encourage relevant enterprises to strengthen their investment in infrastructure, lay a solid foundation for the Internet, and prepare for better development of e-commerce finance. In addition, we should focus on the development of network construction in rural areas, and prepare hardware facilities for the development of e-commerce in rural areas. At the same time, the application of Internet technology and the knowledge of e-commerce finance should be popularized in the countryside, and encourage more rural volunteers to join the industry of e-commerce finance. In addition, the major e-commerce enterprises should also increase the construction of their own logistics system, focus on the construction of township logistics, build their own logistics system, and let themselves develop better. In addition to e-commerce's own efforts, the state should invest more in traffic construction in relevant regions and jointly promote the improvement of China's logistics system.

4.2 Strengthen research and application of Internet security technology

The application of Internet security technology is very important to e-commerce finance, and the following measures can be adopted to strengthen Internet security technology. First, install security patches on your computer to reduce vulnerabilities in order to enhance the security of the host itself.

Second, improve access control system and install firewall and other security systems on the computer to reduce the harm of virus Trojan caused by the visit. Third, encryption technology is used to ensure the security of Internet transmission and the use of digital certificates to verify the identity of users to protect electronic transactions. Fourth, establish a detailed security audit diary to detect and track the intrusion information. Fifth, establish necessary logical or physical isolation measures for sensitive data and equipment. Finally, the implementation of the rehabilitation measures should be established to rebuild disrupted communications services. The application of these technologies will ensure the safety of e-commerce transactions to a large extent.

4.3 Improve the internal and external supervision system and the social credit system

First, we will revise and improve the laws and regulations related to e-commerce industry in a timely manner, formulate specific regulatory rules for the financial risks of e-commerce enterprises, and improve the external supervision system. At the same time, the specific form and nature of e-commerce finance should be clearly pointed out in the law, and the requirements of regulating the access, risk control and supervision of e-commerce finance are clearly regulated. In addition, we will establish and improve laws and regulations on user information protection and Internet security. For e-commerce financial industry, the security of Internet and user's personal information is very important. Therefore, it is very important to improve the relevant laws of these two parts to promote the development of e-commerce industry. In conclusion, we should constantly refine the regulatory legislation on e-commerce finance, and establish a comprehensive legal and regulatory system related to e-commerce financial industry.

Second, we should improve the internal control system. To perfect the internal control system, the following three points are needed. First, the structure of the enterprise should be clear and coherent. The responsibilities of each post should be clear, not to interfere with each other, not to exceed the right. Second, we should improve the internal supervision mechanism and strengthen the management of staff. Thirdly, we should have a clear internal reward and punishment mechanism, so as to make the rewards and punishment clear and improve the enthusiasm of employees. This can effectively strengthen internal control and reduce the risk within the enterprise.

Third, establish and improve the social credit risk assessment system. The establishment of social credit system can improve the information sharing mechanism to the maximum extent. For both buyers and sellers, their information asymmetry will be greatly reduced. This kind of information asymmetry decrease, will increase the credit degree of both sides, thus realize the purpose of reducing credit risk. To build and improve the social credit risk system cannot be achieved overnight, nor can it rely on one side alone. It must rely on the power of the whole society to achieve it. First of all, e-commerce enterprises should actively establish the credit system of both merchants and customers. Domestic experience is not sufficient, so e-commerce enterprises can refer to the successful cases of learning overseas, and contact themselves to establish proper credit system. This can effectively improve the credit of both sides and guarantee the security of the transaction. In addition, third party system can be introduced, and the independence of third-party system can effectively improve the authenticity of information. This can overcome the deficiency of the virtual service of e-commerce finance to some extent. At the same time, the construction of the national credit system should also be promoted, providing a good market environment for credit transactions on the macro level. This can guarantee the safety of e-commerce finance in the big direction, and promote the rapid growth of e-commerce finance.

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