

Analysis Of Internet Finance Products Market

Kehui Liu

Beijing Institute of Technology, Beijing 100081, China

Keywords: Loan Treasure; Internet Finance; Marketing Strategy

Abstract: Internet financial products are conducive to the development of inclusive finance and make up for the shortage of traditional financial services. They are also beneficial to give play to the role of private capital, guide private finance towards standardization, and better meet the needs of e-commerce and expand social consumption. This article focuses on the analysis of the domestic and foreign Internet financial markets and the management strategies of 'Loan Treasure'. Carry out detailed analysis of Loan Treasure from the aspects of product, price, channel, promotion and so on. Combine the current status of the Loan Treasure platform to find out the difficulties in the operation and provide suggestions and methods that can effectively solve the problem. These as a whole will have a positive effect on the business development of the Loan Treasure platform in the future.

Introduction

The rapid development of the Internet has exposed traditional financial products to obvious disadvantages. Conforming to economic development and technological progress have become the general direction of every financial enterprise. The strong domestic demand for wealth management and the huge market have led to the emergence of a large number of Internet finance companies, including the innovative Loan Treasure. Compared with foreign Internet finance companies, domestic Internet finance companies are not scientifically standardized as a whole, and there is much room for improvement regarding marketing strategies.

1 . Problems in the marketing strategy of Loan Treasure

1.1. Platform service function is not complete, user experience is not good

A big difficulty for the Loan Treasure platform is how to promote sustainable transactions between borrowers and capital parties. The intrinsic disadvantage of social finance with borrowing as its core is that the frequency of transactions with lenders and borrowers is too low. Borrowing money is a cold thing. If it is not safe and efficient, it will be difficult to form user stickiness. Also, Loan Treasure does not stimulate users to fulfill demands other than lending, such as recharge of mobile phone usage, purchase of electronic products by installments, etc. The functions in the wallet are not rich enough, many essential functions such as transfer and credit card are missing. The number of profitable items should be increased.

Furthermore, the mobile phone APP is not beautiful enough, and it is not prominently displayed on the homepage of major mobile phone application markets. People have to scroll back a couple of pages in the finance APP to find it, which will lead to the loss of many potential customers. What's more, the core lending function is not convenient to use, it is too complicated to complete a lending process and there are too many software system levels that make it difficult for users who are not good at using smartphones to use it. Additionally, there is a flaw in customer information management, the user information of the Loan Treasure that has been collected are not fully utilized.

1.2. Unreasonable pricing

Compared with its peers, the discounts of Loan Treasure service and its funds are not high enough and attractive enough. The failure to use a low-price strategy in the early stage was a major fault for Loan Treasure. Most of the peers choose not to charge for the first few transactions of a

new customer, and gradually increase the way of charging in the future, but Loan Treasure does not do so.

The Loan Treasure platform only charges users with an annual loan amount of one million or more, yet most users borrow far less than that. So although the users are accumulated, the company may lose a lot of service fee income. Too single charging model also directly leads to the unsatisfactory company income.

1.3. Marketing channels are not diversified enough, and the quality of personnel needs to be improved

There are roughly three types of user access channels for Internet financial products. The first is to push information or other advertisements through the website or mobile application market, the second is to promote offline business staff, and the third is the recommendation of relatives and friends around people. Without in-depth joint marketing with other Internet companies and media, the channels for consumers to learn about Loan Treasure are too single. Alibaba's Alipay has attracted a large number of new users through activities such as the red envelope and the collection of Chinese characters for the Spring Festival Gala. At the same time, it has broadened its channels through TV programs, while Loan Treasure only promote through ground promotion and a small amount of network promotion, which is far from reaching the extent that consumers can easily know the use of Loan Treasure.

The quality of channel marketing personnel of Loan Treasure varies from region to region. Most of the promotion personnel are only mechanical pullers and do not introduce the product to users. This makes the registered users of Loan Treasure many but few valid users. Besides, in the process of many ground promotion, employees let users scan the code but do not give users timely payment to line their own pockets, which is difficult to rectify. Such irregularities in the channel promotion process will make consumers mistakenly believe that Loan Treasure is a fraudulent subsidiary, which seriously damaged the enterprise image of Loan Treasure.

1.4. Online promotion lacks innovation

The biggest problem with promotional strategies is that online marketing is not in place. Since 2016, there has been very little promotional content on Weibo and WeChat. Except for the official website of Jiuding Finance, you can rarely see the advertising traces of Loan Treasure. They lack advertising in all kinds of popular film and television works. Without the help of popular television dramas and other advertisements to increase their popularity, they has been far behind their peers.

Loan Treasure did not make full use of customer data for promotion. They did not give regular holiday greetings and notice of preferential activities to old customers. There is no preferential plan for old users, so it is easy to lose users. While the peers are trying hard to please the old customers, Loan Treasure has no action.

The propaganda copy is not concise, and the product introduction is not detailed enough, which will cause consumers to have great doubts about Loan Treasure's qualification, business model and capital security. Also, there is no signboard activity for a specific period of time, such as Tmall's Double Eleven event, Jingdong Mall's June 18th event, etc.

2. Loan Treasure marketing strategy countermeasures

2.1. Enrich platform functions and improve user experience

(A) Adding a money fund saving method similar to Alipay will increase the liquidity of customer lending funds, and bonds can be transferred to a certain period to make Customers' risk less.

(B) Increase service category. They can introduce a similar installment credit loan model so that acquaintance online loans can be combined with financial loans, these two ways can complement each other. This is helpful to win users with good credit but few friends.

(C) Optimize the Loan Treasure to make the transaction process more efficient, improve product safety and greatly reducing customer concerns about fund safety.

(D) Collect user feedback in the Internet community in a timely manner, let the product update iteratively and improve the deficiencies.

(E) Optimize mobile phone APP, technically simplify the process of identity verification for customers to register and download APP.

2.2. Use low-cost strategies to attract new users

How to monetize the traffic of Internet companies has always been a big problem. Loan Treasure needs to adjust its service fees. All the initial purposes should be making customers develop the habit of using Loan Treasure's products and value-added services before making profits. For example, add high-quality lectures on financial management courses or conduct certain joint marketing in the APP, which can increase profit points. It is also necessary to make large-scale point concessions for old users and reduce commissions for key customers. Low-cost strategy to seize users is a top priority, appropriate profit-making is essential as well.

2.3. Strengthen channel development and enhance personnel training

(A) Increase the training of channel personnel to equip business personnel with better knowledge of Loan Treasure so that they can answer questions and doubts to customers during the promotion, and the business representatives of each channel can quickly and professionally solve customers' queries.

(B) Conduct deep cooperation with major commercial institutions to make Loan Treasure the designated financial management tool of these companies. Develop large customers, and formulate more favorable service policies for those large customers.

(C) The Loan Treasure company should supply the materials demanded by the channel partners as soon as possible, so as to avoid many troubles emerged during channel promotion.

2.4. Strengthen online promotion

(A) Instead of simply using high marketing expenses for promotion, they can focus on finding well-known characters in new media such as Weibo for model promotion, such as advertising placement of popular online dramas. They can also cooperate with a big V with millions of fans on Weibo or an anchors with thousands of fans on the live broadcast platform to advertise for Loan Treasure. Using the star effect for marketing and promotion can do more with less, and it is less difficult to maintain.

(B) The timely follow-up and resolution of the problems that have occurred will increase users' confidence in Loan Treasure and make great efforts to maintain the old users to increase customer stickiness. It is necessary to provide new users with value-added services such as customer service specialist docking.

(C) Create simple and easy-to-understand copywriting advertisements so that users can understand Loan Treasure quickly and accurately. In the era of the eyeball economy, no one has much time to watch the advertisements, ads must be connotative, innovative, not misleading, and have a discerning effect.

Conclusion

As a new type of financial wealth management product, Loan Treasure has its excellent side, which makes up for many inconveniences of traditional lending. It is a great attempt in the Internet financial market. The marketing methods of the capital also provide other manufacturers with an idea that they need continuous expose instead of short-term. However, new things inevitably have many shortcomings and impacts on the original interests. Although it can promote the development of the society very well, it is difficult in many aspects. Internet finance itself has operational risks, technical risks, legal risks, and risk of regulatory failures. So it is necessary for the regulatory agency to issue corresponding policy measures to prevent regulatory loopholes and regulatory failures.

Internet finance is still a small part of the financial system in terms of quantity, but its internal

correlation and spatial contagion are very strong. Linking with traditional finance dominated by banks, the risk of Internet finance may become a trigger mechanism or "The starting point of the "butterfly effect", and eventually leads to significant risks. To deal with this problem, the Chinese government's supervision of Internet finance companies has been increased, and relevant laws and regulations have been constantly improved. This is both an opportunity and a challenge for Loan Treasure.

The Loan Treasure platform has many experiences that are worth learning by many other financial companies. The initial marketing success of Loan Treasure must be combined with excellent products and services, otherwise it will lose its customers. Loan Treasure should make consumers be accustomed to using their products, only by letting the loan users have stickiness can the platform have better development. From the perspective of consumers, they should be more vigilant about financial products or services by considering risks first, then considering benefits, and fully investigating and understanding the characteristics of products before making rational investments.

References

- [1] Dong Yun, Li Xin. The Development of Internet Finance: An Exploration Based on Literature [J]. Financial Review, 2018, (5).
- [2] Ma Shujuan. How far is the loan from Lei Chi [J]. Decision Exploration, 2015, (9).
- [3] Zhou Huihong. Online acquaintance lending must eliminate two major weaknesses [J]. Financial Economy, 2015, (19).
- [4] Xie Ping, Zou Chuanwei. Research on Internet Finance Model [J]. Finance Research, 2012, (12).
- [5] Xie Ping, Zou Chuanwei, Liu Haier. Necessity and core principles of Internet financial supervision [J]. International Finance Research, 2014, (8).