# Chinese Industrial Integration and Innovation based on "Internet Economy"

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#### **Abstract**

In recent years, the globalized economy has developed very rapidly, many of which have benefited from the development of the Internet economy. Driven by the Internet, the world has become a whole. The Internet can spread information across time, space, and location. The Internet's information dissemination has been widely penetrated in various industries, which has greatly helped China's economic development. In recent years, China has been adjusting its own industrial structure and optimizing and upgrading its own economic composition. Under the Internet economy, Chinese industries have also begun to integrate and innovate continuously. This article focuses on the characteristics of the Internet economy and the integration and innovation of Chinese industries in the context of the Internet.

### **Keywords**

Internet economy; Chinese industry; integration and innovation.

#### 1. Introduction

"Internet economy" refers to the integration of a series of economic activities generated by the Internet. This economy mainly uses the Internet to disseminate information and then conduct economic activities, which are the inevitable result of the development of the time. Today's "fan economy" "Internet celebrity effect" and so on are all manifestations of the Internet economy. With the prevalence of Internet technology, China has set off a wave of new industries and new products.

## 2. Characteristics of the Current Internet Economy

## 2.1. Economy with Information and Knowledge

The traditional economic model is based on material resources, and the material foundation occupies a very important position in the economy. For example, land, capital, and labor. The Internet economy is distinct from the traditional economy. The Internet economy mainly uses information and knowledge. Knowledge and information are the primary material resources because knowledge and information are non-exclusive and the marginal cost of supply is extremely low. These characteristics make the Internet The economy stands out from the

traditional economy. In the agricultural era and the industrial era, the main ways for people to obtain information are telephones, newspapers, and broadcasts. The information obtained by these methods is delayed, not very accurate, fast, and there is no time-sensitive information, this is also a factor that has always plagued economic development. Nowadays, under the Internet economic model, the speed of information dissemination is extremely fast, without any delay and can also cross the limitations of time and place. People enter the information on the Internet, and then use the Internet to spread the information. Then a lot of economic information can also be effectively disseminated through the Internet. Nowadays, the shopping software "Taobao", "Tmall" and "Pin Duoduo" are all products of the Internet economy. When shopping, people can buy commodities on different platforms and compare the prices of the commodities before buying. These are all due to the transfer of information and knowledge. These are the products derived from the Internet economy.

## 2.2. A Fast-paced Economy in Line with Modern Life

Nowadays, people's life rhythm is fast, because of the huge pressure of life, everyone is constantly advancing and can not stay. Behind these fast-paced lives, we need to rely on the fast-paced Internet economy. When people want to transfer information, they do not need to use letters, telegrams and other means to spread, but can use the Internet to spread information, which can greatly shorten the time of information spread, in line with the fast-paced lifestyle of contemporary people. We can use the take-out software to book take-out in advance, and we can use APP to order food in the fast food restaurant. These are the services of the Internet economy has given to the fast-paced era.

## 3. China's Industrial Integration under the Internet Economy

## 3.1. Analysis of China's Industrial Integration under the Internet Economy

China's Internet economy has a certain history and background. In the early 1990s of China, China had begun to show the Internet market. After nearly 30 years of development, China's Internet economy has formed a certain scale. This is the most autonomous economic form in China's modern development. After the emergence of China's Internet economy, there is no experience to rely on. There is no sound management system to restrain, but the development is in full swing. In the past, when the market used the Internet for consumption, it did not expect to actively form the conditions of the Internet industry, and even China entered the bubble era of the Internet industry. Meanwhile, not many companies have truly integrated into the Internet economy during development. However, after a long period of development, China's Internet economy has gradually improved. Ten years ago, the common payment method in China was cash payment, but now China's mobile phone scan code payment (Alipay payment, WeChat payment) has changed the payment method of the Chinese and even changed the world. The main reason why China can have such large-scale Internet consumption is that China has a huge population and a huge consumer market. The Internet can be used for shopping, entertainment, and online games. These new lifestyles have exceeded the significance of consumption itself. Even though China's Internet economy is in full swing, Internet technology is still relying on "free". This situation did not improve until 2016, and gradually Internet consumption was transformed into an Internet economy. The Internet economy has promoted the great integration of the entire industry and produced a new industrial model.

#### 3.2. "Internet +" Industrial Integration in the Internet Economy

The "Internet +" model was an industrial integration plan proposed at the National People's Congress in 2015. Strictly speaking, "Internet +" itself is the integration of the Internet and traditional industries. Traditional industries have gradually lost their development

advantages in today's society, and they must be integrated with the current Internet economy to develop. For example, many physical stores now use the Internet for live broadcasting in order to obtain better revenue, and then increase their revenue. Nowadays, all walks of life are enjoying the benefits brought by the Internet economy, and are gradually adapting to the Internet economy. The Internet economy is that the Internet uses its own advantages to participating in the optimal optimization and allocation of resources in traditional industries. The "Internet +" model has become a major trend in economic development today. This economic model can be regarded as the Internet as the main body, and then add traditional industries, such as "Internet + restaurant" has become a takeaway, "Internet + | clothing store" has become online sales and so on, and "Internet +" The model is not suitable for all industries. In some special industries, the Internet cannot complete industrial integration.

In short, the industrial integration of the Internet needs to meet the following requirements. First of all, China has a large population, so its consumption power is very strong, and it also has strong consumption characteristics. When the Internet economy develops, it must strictly conform to China's consumption characteristics. In the early days, China implemented a planned economy model, and there was no possibility of consumption. After the 1980s, China gradually implemented a market economy and the consumer market has gradually prospered, but it still depends heavily on the real economy. Everyone thinks that the real economy can be viewed and touched, which is reassuring. After the 21st century, everyone's consumption level and consumption concept have changed a lot. The roles of buyers and sellers have been exchanged. Everyone's personality is more and more prominent. The model of the Internet economy is to highlight the personality and the Internet economy. The concept has reached agreement with everyone's consumption concept, which brings opportunities to the Internet economy. Of course, the prevalence of the Internet economy will naturally replace some traditional industries. Secondly, the "Internet +" economic model needs to meet the needs of China's industrial upgrading. Human survival is based on resource consumption. China is a country with a huge population, and its consumption capacity is very strong. The consumption level is rising very fast. This has greatly increased resource consumption and caused immense damage to China's ecological environment. All these require China to constantly optimize its industrial structure, realize the optimization and adjustment of the industrial structure, and enhance the competitiveness of the international market. Under the influence of the Internet economy, China can quickly realize these needs and achieve industrial integration, and now China's industrial integration has reached a certain point, the structure is gradually optimized, and the business model is also following the development of the times The channels are also more diversified, and under the Internet economy, China's industrial integration is proceeding smoothly.

Finally, the Internet economy needs to meet China's market competitiveness well. After the reform and opening up, China's economy has developed rapidly. The Chinese government has been committed to economic development and social development. China initially established a huge industrial system with foreign investment and China's huge labor force system. However, this model is only suitable for a specific period of time, and it is not very conducive to China's economic development from a long-term perspective. Now the goal of China's economic development is to have China's own brand, and it is no longer a source of manufacturing in other countries. Through continuous research and development and improving its own scientific research level, it will change China's current situation. The Internet is a representative of high and new technology. China uses the Internet to develop its own economy. This is itself a kind of progress, which represents the enhancement of China's competitiveness. So it is extremely important to strengthen the integration of traditional industries and the Internet economy.

## 4. China's Industrial Innovation in the Internet Economy

President Xi Jinping has made important speeches at domestic and international conferences many times, and believes that the development of the Internet is an essential force for innovation in human society today. The Internet itself is an innovation. It is very different from the traditional economic model. It does not depend on a definite material foundation, but mainly depends on knowledge and information. Combining this element of the Internet with China's traditional industries can change the mode of production well and complete a new reconstruction of social value. Of course, when using the Internet to innovate, we need to understand the difference between "innovation" and "subversion". Using the Internet to innovate also needs to follow the laws of social development, otherwise, it is "subversion." For example, in China's communications industry, the three major giants in China's current communications industry are the three companies "Mobile", "Telecommunications" and "Unicom". They have made tremendous contributions to China's communications industry. The construction of China's communication infrastructure has spread all over China, and the coverage of mobile broadband has also been involved in all corners of the city and rural areas. The speed of mobile broadband is also quite fast. China's communications users have ranked first in the world. In the "Twelfth Five-Year" national planning plan, the central government put forward the "Broadband China" plan, which means that China's communications industry will further develop and better provide quality services to the Chinese people. The idea of using the Internet to achieve the goal of Digital China has never been seen before, but now with the help of the Internet, this goal is about to be achieved. This huge progress is not only progress in the communications industry, but also a huge progress in China's development. The use of the Internet has greatly shortened the gap between urban and rural areas, improved the lifestyle of rural residents, and improved the public service system. This is a huge contribution of the Internet to China. And China's "Belt and Road" informatization strategy are to combine the countries along the "Belt and the Road" with the Internet to bring the "distance" between the worlds closer. The development of innovative forms is not static. There are many forms of innovation, but it needs social value and environmental value as the purpose, and economic benefits as the supplement. Innovation is not "subversion", we can still use the previous excellent economic development methods. We can't take a totally negative attitude to the traditional economic model. The development of the Internet economy requires innovation from a technical level to truly realize the value of the Internet economy. Only then can we innovate in the Chinese industry.

#### 5. Conclusion

In today's era, the convenience brought by the Internet has no way to describe it in words. The Internet economy has penetrated into each of our lives. On the basis of the Internet, China's industries are undergoing continuous integration and innovation, all of which are carried out with the help of the characteristics of the Internet. In recent years, many new industries and new products have emerged continuously, which are developed on the basis of the Internet. While developing our own economy, we need to follow the development of the time and adapt to the productivity of the time so that we can obtain greater benefits.

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