The “Lucky Money” That Started It All—The Reinvention of the Ancient Tradition “Red Packet” in Digital Times

Yusi (Aveva) Xu

Abstract
In August 2020, President Trump attempted to ban WeChat, indicating the growing impact of the most widely used social medium in China. WeChat enjoys a monthly active user base of 1.2 billion, but the Internet giant’s story started with a humble function, “Red Packet.” The function of Red Packet paved the way for WeChat to intelligently integrate into the Chinese financial sphere. This study examines the cultural, economic, and relational implications of the digital reinvention of traditional red packet gifts, and monetary giving that represents good luck and well wishes in festive situations. Drawing upon Mauss’ conceptualization of gift economy within the context of contemporary China and the art of social relationships, “guanxi,” the author closely examines Tencent’s annual report and conducts semi-structured interviews to study WeChat Red Packet (hereafter WCRP) gifting. This article concludes that (1) the obligatory feeling of guanxi management renders WCRP giving, receiving, and reciprocity compulsory practices; (2) WCRP facilitates “immediate reciprocity,” in which, instrumental guanxi may be produced and dissolved instantaneously; (3) the phenomena of social comparison and social hierarchy are mirrored in virtual groups; (4) with platformed sociality and monetizing connectivity, WCRP paved the way for alternative economic practices within Chinese authoritarian capitalism; and (5) WCRP contains characteristics of a personalized gift and materialist commodity.

Keywords
gift economy, red packets, guanxi, WeChat, Chinese cultural paradigms

Most relationships between people can be interpreted as forms of exchange.
—Georg Simmel (2011, p. 82), The Philosophy of Money

Following the Philosophy of Money (Simmel, 2011), if we view parenthood through the lens of materialism, parents might resort to bribery to encourage their children to behave: this definitely held through Chinese history. The custom of red packet gifting from the older generations to the young has been a traditional Chinese cultural practice for centuries. Nevertheless, with the popularity of Internet and communication technologies (ICTs), the use of digital red packets, Tencent’s WeChat Red Packet (WCRP), has gone viral across China since 2015. The reinvention of this old tradition has embraced its digital glow, as well as many new challenges.

The custom of “red packet,” or Lucky Money, is a part of traditional Chinese celebration rituals. Originating in the Qing Dynasty, the money contained in red envelopes represented “money to ward off evil” and was believed to protect the young from sickness or death. Red envelopes, or red packets, are mostly given to children or younger adults by their older relatives or friends on Lunar New Year’s Eve. This convention continues today, with the meaning slightly altered to “the money warding off old age.” Currently, red packets generally represent nice hopes, best wishes, and good fortune. The contemporary usage of the red packets is adopted more widely on weddings, traditional Chinese holidays, or any celebrative occasions; digital red packets have become one of the most extensively used mobile commerce functions.

In January 2014, the Chinese Internet giant, Tencent, added a new online financing function to WeChat, a Tencent-owned messaging and video chat application similar to
Gifting and the Inherent Reciprocity in Gifts

The giving and receiving of gifts entail a process of social exchange driven by the transactional and social benefits inherent in cultural norms (Y. Yang & Paladino, 2015). Historically, the examination of gifting behaviors and the implicated social relations dated back to Marcel Mauss’ (2002) observation of the Maori culture, which attempted to probe into the principle of reciprocity in gifting.

For Mauss, gifts are conceptualized as only the objects that circulate and could not exceed their visible and concrete forms. In other words, Mauss believes the gift-object is only there to be given and received (Pyhhtinen, 2014). Frow (1997), on the other hand, contends that a gift surpasses itself as an object. A gift also underlines the “transactions and social relationships” (Frow, 1997, p. 124) or the “social connection” (Godbout & Caille, 1998) embedded in it. A gift expands its original thingness through relations, a change based on who is giving what to whom for what purpose, and through which channel.

A gift is not merely as it is or was, but also exists in the transaction, becoming, and evolving itself. As Pyhhtinen (2014) elegantly puts it, “The gift is tied to social relationships so intimately that it cannot be grasped as gift completely in itself, without paying attention to the ties that accompany it” (p. 7). Therefore, whether virtual or physical, red packet gifting is an example of exploring how personal relations or social ties are converted into things, and vice versa.

Mauss (2002) also notes that “hau,” a mysterious power, or “the spirit of gift,” is believed to make local Maoris return a gift (pp. 8–9; in Yan, 1996, p. 5). The obligation to repay makes a gift indistinguishable from a debt: we give/repay because we owe. Hence, there is no negotiation in the “exchange” nature of gifting, according to his observation. Specifically, failure in returning a gift has been believed to have severe consequences in such societies, including the recipient’s death (Yan, 1996). Later scholars, including Levi-Strauss, criticized Mauss’ romanticization of native Maoris and saw the principle of reciprocity as a “universal mental structure” (Parry, 1986, p. 456).

Moreover, Mauss makes a clear distinction between personalized gift exchange versus impersonalized commodity exchange. However, Parry (1986), among other later scholars (Parry & Bloch, 1989), pointed out that his binary conceptualization was an idealized romanticization that no longer holds in modern society, arguing a dual property of both symbolic worth and economic value.

This article hereby proposes to approach the topic of WCRP through two lenses. First, to view WCRP as the object itself and the dynamic relations it constitutes itself in. Second, to view WCRP as a fluid construct on the continuum between gift and commodity, and an invitation as well as an opening for reciprocity and exchange, be it emotional, material, or intellectual. The study investigates why people had willingly changed their digital practices and cultural notions in light of the popularization of WCRP.

Guanxi, Chinese Gift Economy, and Chinese Authoritarian Capitalism

Compared with most Western societies, Chinese society is organized through a “personalist principle,” as Weber (1968) illustrates in his interpretation of Confucian ethics. The gift
economy in Chinese-style capitalism is deeply enmeshed in the art of “guanxi,” which reflects the delicate fabric of all aspects of Chinese social life (Zhou et al., 2018). Guanxi emphasizes the “binding power and emotional and ethical qualities of personal relationships” (M. M. Yang, 1994, p. 8). Guanxi is “governed by implicit social norms” (Qi, 2017, p. 2), underscoring reciprocity and obligation. Zhou et al. (2018) contend that Chinese guanxi requires constant cultivation and active maintenance, frequently through interactions and gifting (also see Barbalet, 2015; Wu & Wall, 2019), highlighting a long-term accumulation. Scholars have also noted that personal relations have become more instrumental and utilitarian in the context of pervasive materialism in contemporary China (Gold, 1985; Yan, 1996; Y. Yang & Paladino, 2015).

The Chinese gift economy underscored the components of gift and favor in systems of exchange (M. M. Yang, 1994). As Yan (1996) reminds us, gifting remains a significant mode of exchange in Chinese economic and political life, as part of the unofficial state redistribution system and an economic system of commodities. Nevertheless, the Chinese do not deny the significance of a gift’s spiritual and emotional aspects (M. M. Yang, 1994). There is always something about the gift that cannot be fully explained in terms of economic rationality. Consequently, the gift embodies a mixture of instrumental intentions with personal feelings (Chang, 2011). The Chinese gift economy suggests that favors could only be obtained through the “enactment of ritualized forms of guanxi” (M. M. Yang, 1994, p. 8). Gift-giving is frequently regarded as a social obligation in collectivistic cultures, such as China (Qian et al., 2007).

While the Chinese gift economy serves as an informal version of resource exchange, China’s socialist market economy is ascribed to the adoption of capitalism under the supervision of the Chinese Communist Party (CCP; Cheng, 2020). State-owned banks dominate financing governance, and all capital exchanges are under strict scrutiny of the CCP (Peck & Zhang, 2013). However, with the emergence of ICTs enabling digital financial innovations, forms of “non-bank intermediation” have expanded within the CCP-led authoritarian capitalism (Gruin & Knaack, 2020).

The current study seeks to understand the socio-technical reasons and the cultural implications for the success of WCRP and the subsequent cultural paradigm-shifting while paying particular attention to the broader social context and cultural soil in which the art of guanxi and the Chinese authoritarian capitalism are shaping and being shaped by WCRP.

**WCRP**

WeChat networks are based on acquaintance-relations networks (Zhou et al., 2018). WCRP, was launched on January 17, 2014. It allows users to deliver virtual money, check online transaction history lists, and withdraw cash. On the eve of the Chinese New Year, Tencent reported that their application recorded over 1 billion transactions (Jingzhi, 2017).

There are two kinds of WCRPs: users can either send a regular red packet to a particular friend or give a certain amount of money to a group, in which the members will compete to “grab” the money. The latter is called Lucky Money Draw because each person who participates in the race for prizes would be assigned money randomly by an unknown algorithm. When a group member creates a link of several red packets (a user can set how many shares into which the money would be split) and posts it to the group, those who click the link get virtual cash. Digital money can be used for services such as online shopping or taxi rides. The catch of this game is that only a limited amount of “red envelopes” are given out each time, so that those who open the links too late are left with nothing. In addition, since the money in each draw is assigned randomly, people regard it as a sign of luck. Embedded with gamification features, the Lucky Money Draw has become a fever sweeping the country.

While the competition and entertainment elements are mainly displayed in Lucky Money Draw, individual transactions of digital red packets also enjoy high popularity. The process is identical to sending traditional red packets, but takes place virtually. This article examines the cultural, economic, and interpersonal implication of this utility, and investigates how WCRP changes the visions of social media and digital finance.

**Method**

The author conducted semi-structured interviews with 24 heavy users of the WCRP individually following the typology: group versus individuals, relational nature of the group, geo-locations (the United States, the United Kingdom, and mainland China), genders, and generational differences. The participants were recruited through nine large WeChat groups; all consisted of more than 300 members. The sampling criteria required the respondents to self-identify as frequent users of WCRP, with a criterion of having used it at least 10 times in the past 3 months. The respondents were asked whether they used WCRP in groups or individually. All of them used this function in both settings, and they were subsequently asked to recall several specific cases in which the relational nature of the group (family, friends, or coworkers) differed. The study included respondents residing both in and outside of mainland China, primarily in urban areas. Limited to the sparsity of participants’ geo-locations, the majority of the interviews were conducted through WeChat video calls, whereas three interviews were in-person. Since the discussion topic was not particularly intimate, the mediated nature of the majority of interviews did not prove to be a barrier to candid communication. Among the 24 respondents, 17 were young adults (aged 21–30), while the rest were middle-aged adults (aged 40–55). All interviews were conducted in Mandarin to ensure comfort in
expression, and the duration of each interview ranged from 20 min to an hour and a half. All respondents were equally compensated through WCRP independent of various lengths of interviews.

From approximately 17 hr of recordings, each interview was transcribed. Leveraging a grounded theory approach by Corbin and Strauss (1990), unexpected themes were detected with minimal interference to the original research design. The interviewees in this study are by no means a representative picture of all users due to this methodology’s inherent limitation. The sample was skewed to an elitist and urban-centric population, while WCRP, as discussed in the previous section, has spread to remote towns and even into some very rural areas of China. However, those who do not own a smartphone cannot join this nationwide carnival of digital finance. In comparison, the active users of WCRP are concentrated in urban contexts, where financial exchanges are more vibrant. Moreover, the purpose of this study is to “scrutinize the dynamic qualities” of the WCRP process and present a deep and nuanced understanding of respondents’ cultural and relational processes (Crouch & McKenzie, 2006, p. 12). A detailed semi-structured interview outline is attached in the appendix.

In the next section, the author presents the empirical findings centered WCRP from cultural, economic, and interpersonal aspects, with a special focus on how WCRP changes the visions of social media and digital finance within the context of contemporary China and the art of social relationships, “guanxi.”

Shifts of Social Networking Paradigm and the Cultural Meaning of Red Packets

The Compulsion of Giving and Receiving WCRP. WeChat is identified as a robust digital platform for the Chinese to accumulate social capital, develop guanxi, and seek social recognition (Zhou et al., 2018). Arguably, the practices of guanxi maintenance are transferable to virtual networks. Since the giving and receiving of gifts is an inherent demonstration of fulfillment of social obligations and the mastery of guanxi, multiple interviewees expressed the non-negotiable compulsion to give and accept WCRP, especially during festive occasions: “Due to time difference, I set alarms to send WCRP on the past Spring Festival. I have to” (A. W., 29, architect, London). A. W. confided that his parents accused him of impoliteness and forgetting his cultural roots, and blaming his lack of understanding of Chinese cultures. He felt the normative social pressure to send WCRPs as a means to gain social validation from his family and friends in China. Sending WCRP has been associated with a mastery of guanxi and sophistication of cultural traditions. Consequently, many overseas Chinese felt compelled to use WCRP to gain social approval.

Receiving WCRP is also a socially expected practice, so much so that the programmers of WeChat did not design a button to decline a WCRP. A. W. noticed this “flaw” in the interface design: “Once I clicked on a WCRP, the only button next is ‘open it’—not that I would decline the packet or being picky, but how come no other options are offered?” While he was the only one among the interviewees who complained about the interface design, possibly due to his expertise in web design, the others completely missed this “defect.” This lack of awareness may be due to cultural factors that accepting gifts, especially red packets, symbolizes a mutual acknowledgment for guanxi; hence, it would violate social norms to decline gifts (M. M. Yang, 1994). Moreover, this lack of awareness also speaks to the power of digital platforms: the interface and algorithms shape social interactions unobtrusively, yet cultural conventions and socio-technical infrastructures reproduce and reinforce each other.

The Social Norm of Immediate Reciprocity. From interpersonal social networking based on affection, to social networking through money transactions, the reinvention of the traditional red packets was conveniently placed in the socio-technical context of contemporary China. While the tradition of red packet gifting has changed its form from a physical envelope to virtual WCRP, at least partially, the cultural meaning of red packets changes from an interpersonal affective purpose that does not expect a return in a short time frame, to an instrumental purpose in exchange for favors or deferred returns. As X. B. (27, male, Beijing, entrepreneur) said,

It almost becomes a solid rule in my circle that before asking your friend a favor, you need to send them a WCRP. It is not only proper but also nearly essential to do so. Otherwise, why would anyone other than your family, help you? After all, everyone is busy nowadays.

X. B.’s words underlined more situational and purposive gift exchanging relations enabled by WCRP. The understanding of red packets has been extended or generalized from particular festive gifting toward a more instrumental and utilitarian philosophy, echoing Gold’s (1985) analysis of gifting. The norm of gift-giving associated with a direct exchange of favor has grown increasingly prevalent (Y. Yang & Paladino, 2015), beyond the general goal of impression management and guanxi maintenance that has prevailed in the past.

Moreover, the temporal element of the expectation for reciprocity has also been altered. Previously, a favor is noted, but is not expected to be repaid immediately. In fact, the immediate repayment and precise accounting of gift and return equivalences were deemed inappropriate in the decorum of guanxi (M. M. Yang, 1994, p. 202). However, with the convenience and instantaneity permitted by WCRP, transactions are made in seconds. So are the expectations to repay the debt. As explained by the above interviewee, even favors between friends are expected to be quantified and reciprocated straightforwardly, highlighting utilitarian norms in modern Chinese society. While the rules of etiquette of
guanxi highlight the importance of length and quality of social relations, as opposed to those rules noted in previous studies (Barbalet, 2015; Wu & Wall, 2019), this instrumental guanxi manifested through immediate reciprocity resembles a transaction, which tends to be completed or delivered in the short term, as users impatiently hope to settle the feeling of indebtedness in a single exchange. Consequently, instrumental guanxi is no longer the result of an accumulation debt but could be produced and dissolved instantaneously as desired.

However, the change in perception of reciprocity and instrumental guanxi among Chinese is not solely a result of WCRP, but has been deeply rooted in the materialism ideology that has become pervasive in China since the Reform Era (Yan, 1996). The success of WCRP, to a large extent, speaks to the needs of Chinese people at the right time. Consequently, the transformation in the social context and the technological boom manifested by WCRP are mutually reinforcing.

Cultural Transformation: The Controversy Between Generations

Simplifying Formalities or Eliminating Cultural Rituals? As social convention dictates, a more equivocal process in gift-giving and receiving is normative in Chinese culture. When receiving a gift, especially money, the giver and the receiver would performatively argue back and forth for a while, and repeatedly express gratitude to each other before they finish the “gift transaction.” This ritualistic practice demonstrates an indifferent attitude toward material wealth, a highly valued virtue in China. Though both parties concede that once the giver takes the red packet out, he/she cannot take it back even though the receiver has declined it, out of courtesy, cultural norms dictate them to engage in a mutual performance of a “reluctantly taken” scene. According to the traditional convention, if one takes the gift readily without denying it first, one would have been regarded as uncultivated and impolite. WCRP made the above formalities unnecessary: one transfers the money and the other accepts it. The digital platform is refreshing in terms of efficiency; meanwhile, it strips away the performative nature of the gift-exchange process.

“My father’s rule was to decline three times before finally accepting the physical red packets when guests deliver gifts in person.” Interviewee Y. X. (24, female, LA, doctoral student in Physics) reported lightheartedly, “But in WeChat, there is no room for this hypocritical gesture.” Her comments resonated with many interviewees of her generation: all loathed the socially desired performances of showing reluctance when accepting gifts in-person, the manner which was fully embraced by their parent’s generation.

“Honesty and transparency are admirable, but some cultural rituals exist for a greater reason that cannot be measured by efficiency.” When asked about whether an old-fashioned way of declining a gift several times before finally accepting it, L. M., a 52-year-old law professor from Beijing, insisted, “Younger generations are not sophisticated enough to appreciate such an art.” This indicated a clear generational distinction in viewing the change in social conventions WCRP brought.

“For us overseas Chinese, the digital red packet is more symbolic, since we rarely use it to make daily purchases. We use US dollars here” (I. G., female, 48 years old, education consultant, New York). Many interviewees echoed her opinions on the limited practical use for people outside mainland China. However, this physical limitation of usability is gradually declining, as major shopping malls in East Asia and many stores in Chinese enclaves in Europe and the United States have adopted mobile payment through WeChat (He & Wang, 2018).

Erosion of Intimate Space and Cultural Nostalgia. The red packet was soon disassociated from its original cultural meaning of wishes between intimate friends and family. However, unlike what Sahlins (1974) implies as the opposition between gift exchange in a simple kinship-based society and commodity exchange in modern class-based society, the evidence from interviews suggests this distinct contrast is eliminated in WCRP.

The logic of capitalism sneaked into the once intimate space of the “personal qualitative relationship” as opposed to the “objective quantitative relationship” (Gregory, 1980, p. 42). Interestingly, and contrary to Mauss’ distinction between gift and commodity, with WCRP gifting, this binary boundary is blurred. The two opposites become the ends of a continuum: though the red packet is distributed within an individual’s various social networks that represent unquantifiable interpersonal relations, the monetary value can be clearly and quantitatively established. The former character falls into the gift exchange category, while the latter feature categorizes it as commodity exchange. As Gregory (1980) theorizes, the interchangeability of gift and commodity is salient, especially when money occupies the dual role of gift/commodity.

On the other hand, WCRP brings convenience to its users by eliminating geographical distance. J. J., an international student from China, acknowledged the WCRP as the quickest way for her father in Shanghai to send small amounts of money over.

G. X. lives in the United States, but her best friend was married in Chongqing, China. “It is a shame I could not physically attend the wedding, but at least I hope my red packet conveyed my best wishes,” G. X. reported. The naming of a red packet is essentially political: by its nature, it is a transaction of money, with the name of red packet overlaid, even virtually, which means that the cultural understanding of this practice has dramatically shifted from a purely impersonal material transaction to an intimate affective blessing and congratulation.
However, another interpretation is that this type of convenience WCRP brings is gradually eroding interpersonal intimacy, by prioritizing the financial result rather than the whole organic gifting process. Traditionally, when preparing for a red packet, one would put brand new notes directly withdrawn from the bank into a carefully selected red envelope, and again, carefully sealed by hands. Therefore, the whole process involves additional emotional investment, regarded as the inalienability of gift-object (Weiner, 1992). Nevertheless, the digital form of the red packet deprives the giver of providing a personal touch. It thus can be argued to lead to an erosion of authentic intimacy and cultural connotation.

Just as an interviewee stated both elegantly and nostalgically:

"Something was missing. It is the traditional rituals that make holiday celebrations festive, and WCRP takes that away. For me, the traditional red packet is about family solidarity. This digital form can transfer money, but not the affective spirit." (L. M., 52, female, law professor, Beijing)

Although the digitized form of the red packet brings convenience and efficiency, it could not overcome the nostalgia for the emotional attachment to the traditional red packet. The latter resembles a more traditional expressive gift economy based on feelings of warmth and humanity (Chen & Chen, 2004). As gifting symbolizes cultural rituals and exhibits unique cultural characteristics, it is embedded in cultural conventions (Y. Yang & Paladino, 2015). A quantifiable result-oriented society witnessed the rise of an impersonal, uncaring, and soulless gift economy underscored by the digitization of traditions, WCRP. Thus, modern acquaintance guanxi in urban settings tends to have a more obligatory characteristic that is disposable and short-timed.

**Gamification Rocks**

The majority of the interviewees acknowledged that they prefer WCRP to an equivalent amount of cash, partially due to the sensitive nature of money. Traditionally, Chinese people are reluctant or embarrassed to talk about money openly, but the cultural meaning of red packets veiled this concern. Moreover, WCRP enjoys a gamification design, which utilizes game design elements in non-game contexts to encourage desired behaviors (Deterding et al., 2012) to further distance itself from the mere exchange of money.

S. T., a journalist in his 50s, claimed the bill-split to be “unimaginable” without the camouflage of WCRP, since pettiness is despised in the Chinese context. However, with WCRP, “now we can split the bill without feeling awkward. After all, no one would turn down the red packets that represent luck.” Research has shown that apart from the money contained, cultural beliefs increased the psychological benefits associated with WCRP (Zhang, Li, et al., 2019). For instance, the Chinese frequently exhibit superstition-driven preferences and luck-chasing behaviors; both are facilitated by WCRP.

The reluctance to discuss money openly has been diluted by WeChat’s entertainment element and enabled by the playful manner of WCRP. Of course, materialism is already a pervasive ideology that has allowed this revolution to occur, but WCRP has indeed facilitated the acceleration of this transformation. As van Dijck and Poell (2015) argued, platform society has reconfigured participatory culture into a culture that monetizes connectivity.

**Social Comparison: The Symbolic Meaning of Giving and Taking**

We care too much about “face” not to reciprocate a red packet! Since I have technical difficulty linking my bankcards, I cannot retrieve more money to send red packets. So each time I take part in the group red packet grabs, I was secretly embarrassed. I mean, my friends will not unfriend me just because I cannot reciprocate their gifts, but I feel incredibly uneasy from the social pressure. (E. Q., 29, female, New York, junior attorney).

Peer pressure to send out red packets to a group will create the urge or burden for users to conform and send digital red packets as well. “Courtesy demands reciprocity”: as in Mauss’ core idea on gifts: when one receives WCRPs from peers, one might feel obliged to return them. As also identified by Y. Yang and Paladino (2015), in China, the reciprocity of gifts showcases an individual’s moral and social obligations. Failure to conform to such conventions would result in tarnished reputation and loss of social connections, as demonstrated through E. Q.’s embarrassment when violating the reciprocity codes.

Echoing Strathern (1971), the red packet gifting behaviors in colleague groups show the giver’s superiority over the recipients in a hierarchical context. However, there also appears to be a distinction between colleagues, friends, and family groups, in which contexts the hierarchy varies systematically. Burridge (1969) reminds us that even within a family, sibling relationships are governed by reciprocity while filial relations are not. Therefore, the author argues, when hierarchical relations are saliently displayed, the obligation to return is no longer a must. Nevertheless, if the positions in a group are equal, the obligations of reciprocity might exist.

**Group Dynamics: A Hierarchical Equilibrium.** The dynamics of a group WCRP mirror an offline group’s interactions: people of equal position would send out similar amounts of money. This “equivalent amount connotes equal position” notion remains true across both friends’ and colleagues’ groups.

In friends’ or colleagues’ groups, I would not hesitate to grab Lucky Money sent by a close friend, but I definitely would think twice and maybe first wait and observe others for a while before I decide what to do with a less familiar acquaintance. (E. Q., 25, female, L.A, working in PR industry)

The psychological difference demonstrates the epitome of group dynamics. The familiarity and nature of the relationships...
among members will shape group interaction. This observation aligns with Sahlins’ (1974) three variables in theorizing the nature of gift-giving and exchange: kinship distance, sociability, and generosity. Here, kinship distance could be extended to friendship distance, as modern Chinese society is no longer primarily organized through kinship.

In my colleague group, only the bosses give out digital red packets. Furthermore, my supervisor would give out less money than her supervisor. Like you know, if your boss drives a Honda, you better not drive a Lexus. But I guess it is only a Chinese thing, and it is more obvious in small companies. Maybe I am overly interpreting it, or we Chinese do have an obsession with hierarchy . . . (E. Q., 25, female, LA, working in PR industry)

In a hierarchical virtual group, people will still act according to Chinese social conventions by not challenging their superiors by showing off (Yan, 1996). Inside virtual spaces, the WCRP practices consolidated and reproduced the savoir-faire forged in the cultures of collectivism and nurtured through the mastery of the art of guanxi. In group WCRP interactions, the demonstration of conformity to shared social norms may create a sense of normative community pressure (Zhu et al., 2021). Therefore, group members would instinctively maintain the dynamics as in-person interactions.

Massive Networking and Community Building. “A group can be quite a long time before waking up by a member sending out group Lucky Money.” J. J. shared her opinion, “sometimes only when Lucky Money pockets were sent out, could I realize there were so many active users in my network.” J. J., among others, acknowledged that she was not so close to many in her friends’ group, as many groups were arranged by specific purposes and situations, including professional groups and hobby clubs. However, group WCRP were used as a tease to mobilize massive networking, build community, and reconcile conflicts. The attribute of interactivity embedded in WCRP might strengthen social contact and community engagement (Zhang, Li, et al., 2019).

Usually, the Lucky money would start an interesting conversation in any group. Everyone is interested because it concerns money. Moreover, a red packet would usually induce waves of red packets because you cannot just take without giving, right? Furthermore, in the meantime, people know each other better through teasing and joking around, all thanks to WCRP. (J. J., 23, female, living in LA)

In this sense, WCRP creates an opportunity for group interaction and facilitates the interpersonal relationships among members. As Pyyhtinen (2014, pp. 5–7) suggests, the constitution and maintaining of any community are intrinsically tied to the obligation to give. As for an online/virtual community, whether it is active or not fundamentally determines its existence. An active virtual group is a constant reminder of the group membership one has, and through interaction, the identification of the community is sustained and reinforced.

Economically Reconfiguration for Alternative Economic Practices

WCRP’s broad penetration into Chinese society has opened the door for the fast adoption of WeChat Pay nationwide, which has catalyzed “institutional change beyond the banking system” with potentially profound socio-political implications (Gruin & Knaack, 2020). WCRP further enables the creation of alternative economic practices, among them the highly encouraged “street vendor economy” with cashless payment in post-pandemic China.

Monetizing Connectivity and Equalizing Mobile Payment with WCRP. Scholars have identified a significant strategy for WCRP’s aggressive market share growth: utilizing the existing user base of WeChat. WeChat is essentially a social networking App, with 600 million users and their networks in the year when Red Packet was launched (China Economy website2). First, Tencent developed the digital red packet to draw users in, following which, the company introduced multiple affordances of Internet finance as a natural result. Alibaba, another leading Internet company in China, failed to reach the same level of success, which tried to pave the market with e-commerce and then build social networks among customers. Echoing the concept of platformed sociality (van Dijck & Poell, 2015), WCRP facilitated WeChat’s transformation from a networked communication social media into an institution that monetizes connectivity.

“The money you get from WCRP stays in WeChat Wallet, which is somewhat like Apple Pay, but far more versatile than the mere Apple Pay.” E. P. (42, male, residential realtor, San Marino) explained that users need to link to a bank card to transfer money between WeChat Wallet (where the money from WCRP is stored) bank accounts. However, to link a bank account has more far-reaching implications than the mere transactions on the surface, and also affords access to users’ real identities and other financial information.

“On my last trip back to China, I found it almost impossible to live a modern life without WCRP” (J. M., 28, male, post-doc in Physics, lives in LA). He carried on talking about the convenience and monetary benefits from using WCRP. For instance, users enjoy 3% off when buying credits for mobile phones; automatically splitting the bill with friends when eating out and ordering take-out, without the hassle of using multiple apps. He also mentioned that some taxi drivers explicitly claimed they only take WCRP, because the company compensates the driver a certain percentage each time they accept digital transactions through WeChat. J. M. has used “WCRP” as an analogy to WeChat mobile payment, the broader mobile payment function, emphasizing the profound social and economic implications of WCRP.
“Now, when I think about mobile payment, I equate it with WCRP; when I think about red packets, the connotation was also WCRP” (J. H., 30, female, a gerontologist in London). As noted by multiple interviewees, WCRP was used interchangeably with mobile payment for smaller amounts of monetary transactions. “Under 200 yuan, I always pay through WCRP—it has a wish message automatically generated, and I showed more respect to the seller” (C. L., 26, female, PR Specialist in Beijing). The cultural politeness and blessings rooted in WCRP discussed in the previous section offer an additional reason for its popular adoption, even in contexts beyond gifting. Therefore, WCRP cultivated a dependency of use, and such dependency is reflected through the alteration of linguistic usage and behavioral change.

WeChat initially snuck into Chinese life through a cultural tradition: the red packet; soon enough, by providing a more convenient and favorable user experience, it has made itself indispensable. Furthermore, users willingly link their bank accounts to WeChat. Meanwhile, WeChat gracefully managed to harvest the autonyms of millions of existing users, removing obstacles for further online finance objectives. As Gruin and Knaack (2020) note, CCP’s tolerance of the emergence of obstacles for further online finance objectives. As Gruin and Knaack (2020) note, CCP’s tolerance of the emergence of shadow banking and fintech has accelerated “the liberation of the traditionally bank-dominated system” (p. 371). To this end, WCRP has paved the way for WeChat to reveal its possible ambition in decentralizing Chinese authoritarian capitalism, bypassing the government-owned central banks, and serving as “non-bank credit intermediation” (Gruin & Knaack, 2020).

**Fintech Derivatives Afford Alternatives to Chinese Authoritarian Capitalism**

When I post an article for my subscribers, I would explicitly encourage payment (“dashang”) for my labor, and many of my readers respond through WCRP. Now I can make thousands of Yuan just from one post. (S. T., 58, male, freelance journalist, Beijing)

Although Chinese consumers are used to free content online (including the notoriously large amounts of pirated media products), users, especially the younger generations, are accustomed to paying for the online content they consume, thanks to WCRP. It is estimated that WeChat-driven information consumption reached 209.7 billion RMB in 2017 (Graziani, 2018). This marked a changed paradigm of voluntary payment for intangible informational services instead of the unrestrained exploitation of creative labor, which was deemed ordinary only 2 or 3 years ago (Romele & Severo, 2016; Zhang, Xiang, & Hao, 2019). Such transactions do not go through the traditional state-owned commercial banks system, but are enabled through WeChat.

Apart from voluntary payment for user-generated content, the far-reaching implications of piggybacking on the WeChat network are that countless possibilities for fintech derivatives arise, for example, mobile top-up, utility payment, money transferring, bill splitting, and taxi hailing. Such functions further boost the adoption of WeChat Pay: it is reported that the penetration rate of WeChat Pay reached 97.3% among young users in 2018 (Graziani, 2018).

Data collected from the interviews showed that although users have money in their WeChat account, they might not trust WeChat as much as they trust the central banks:

I suspect when you are not taking money from your WeChat account, the company could use your money to invest, making itself a miniature of a bank or even just a private bank. I mean, the national banks do that all the time, and that is fine. I become uncomfortable once I think of my money being taken for granted at their disposal. (E. Q.)

When I furthered my inquiry into the difference between the national bank and WeChat, she overtly expressed her distrust and concerns of the latter for wealth management:

. . . here (online platforms) they just utilize your money without explicitly telling you so. In this case, the best way is to spend the money you gained from red packets: either give back to others on WeChat or spend it elsewhere. One way or another, the money needs to be circulated, and this is exactly what WeChat intends. In my case, I cannot connect my WeChat account to my bank cards, so I have to spend it in other ways.

The dilemma of either connecting to a bank account with a verified real name as discussed in the previous section or spending the money online rendered users’ initial passive participation as an entry point for the increasingly infrastructural nature of WeChat (Plantin & de Seta, 2019).

The mistrust mentioned above toward third-party payment systems is precisely why the central bank established reassertion of controls over Internet companies to administer clients’ money (Hersey, 2017). However, WeChat still managed to establish various functions for users’ money, including payment for electricity, gas, water, and other utilities, virtually cooperating with the government. This resulted from WeChat’s “capacity to compensate the limitations of the existing Chinese banking infrastructure” (Plantin & de Seta, 2019, p. 266). Immediately afterward, the two reconciled and established a mutually beneficial working relationship with WeChat and implicitly permitted it to function as a private bank with monitoring from the central bank (Hersey, 2017).

**Conclusion**

The transformation of social context and the rapid development of technological infrastructures go hand in hand. WCRP was launched in the right place at the perfect time, and its massive popularity has given rise to changes in socio-cultural paradigms and reconfigurations of economic practices.

The binary of gift and commodity exchange by Mauss are indeed not so opposite in the context of modern China. Instead, they are opposite ends of a continuum. WCRP gifting is a gray area that involves the essence of both affective, qualitative
gifting and impersonal, quantitative commodity. The cultural significance of red packets and the gamification element of WCRP veiled the monetary exchange. This blurred boundary permits subtle and imaginative facilitation for the Chinese gift economy, underscored by the central position of guanxi. The obligatory feeling of guanxi management renders WCRP giving, receiving, and reciprocity as normative social practices, with negative social consequences if failing to conform. Simultaneously, a generational gap was observed in the distinction between nostalgia for traditions and intimate gifting and the admiration for convenience and efficiency.

Interestingly, younger adults maintain a delicate balance between appreciation for the efficiency and the mastery of the art of guanxi demonstrated through WCRP. In contemporary China, the conceptualization of guanxi remains fluid, with space for subtle and imaginative configuration. While traditional guanxi disapproves of immediate reciprocity, fast creation and dissolution of acquaintance guanxi are permitted by the convenience and instantaneity of WCRP.

In group WCRP, the phenomenon of social comparison and social hierarchy is mirrored virtually, and WCRP is also used to invite massive networking and community building.

Economically, with what van Dijck and Poell (2015) theorized as platformed sociality and monetizing connectivity, the dual nature of WCRP renders it a perfect camouflage and extended WeChat to fintech and other ambitious alternative economic practices among the grassroots, subtly contesting Chinese authoritarian capitalism (Gruin & Knaack, 2020).

While this study uses qualitative methods to investigate how the technology has enabled online financing to transform Chinese cultural traditions, future studies might find it beneficial to look at the extent to which such transformations could challenge, influence, or shape institutional policies. Further investigation could look at whether such cultural transformations could last and whether they have a demographic bias, for instance, whether certain age groups or people of a specific educational background have a particular perception of the commercialization of traditions. Further ethnographical inquiry into the nature of ICT-mediated gifts could also prove to be fruitful.

Acknowledgements
The author would like to thank Prof. Sarah Banet-Weiser and Prof. Manuel Castells for the initial incubation of this project idea. The author is also grateful to Prof. Margaret McLaughlin and Prof. Robert Kozinets for their help in revision and proofreading. Thanks also go to the anonymous reviewers for their insightful comments.

Declaration of Conflicting Interests
The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding
The author(s) received no financial support for the research, authorship, and/or publication of this article.

ORCID iD
Yusi (Aveva) Xu https://orcid.org/0000-0002-4479-8304

Notes
1. Jingzhi, “More than 1 billion red packets were sent or received on Lunar New Year’s Eve.” See http://www.chinadaily.com.cn/hqcj/xfly/2015-02-19/content_13259914.html (retrieved on October 14, 2017).
2. See http://finance.ce.cn/rolling/20150824/t20150824_6297710.shtml (retrieved on October 17, 2015).

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Author Biography

Yusi (Aveva) Xu (PhD, University of Southern California) is a Postdoctoral Fellow at Fairbank Canter, Harvard University. Her research interests are in the intersection of health communication and cultural studies, with a special focus on leveraging technology, social media, and cultural elements to address health disparities in vulnerable groups and impacts on the broader societies as well.

Appendix

Semi-Structured Interview Outline

- When and why to first use it?
- The purpose and the occasion to use it later? Please provide examples
- Are you a giver or recipient? (With a family group, friends group or co-worker group, and individual, respectively) Describe the group dynamics.
- The usefulness of the practice? An evaluation?
- How would you use the money?
- What change does it bring? (Social relations, social norms, cultures, economic practices, etc.)
- Will the change be long-lasting?