

# Red Packets in the Real and Virtual Worlds

## How Multi-Function WeChat Influences

### Chinese Virtual Relationships

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The Gift: Forms and Functions of Exchange in Archaic Societies, a classical book by French sociologist Marcel Mauss (1966), details how the early exchange systems center around the obligations to give, to receive and to reciprocate.

There is a series of rights and duties about consuming and repaying existing side by side with rights and duties about giving and receiving. The pattern of symmetrical and reciprocal rights is not difficult to understand if we realize that it is first and foremost a pattern of spiritual bonds between things which are to some extent parts of persons, and persons and groups that behave in some measure as if they were things (Mauss 1966: 11). This essay states primarily that the most popular mobile social application in China, WeChat, has changed Chinese social relationships—between family, friends, colleagues, strangers—via the “Red Packet” app function. With the goal of exposing how *WeChat Red Packets* impact and influence people’s lives, I have collected examples both from groups and individuals, together with stories from my family and friends, and additionally from some *WeChat* group members previously unknown to me. Further, I interviewed some Western friends of mine who live and work in Berlin, who use *WeChat* to communicate with Chinese people. I asked them about their reaction to *WeChat Red Packets*, as they are quite familiar with *WeChat*. However, because *WeChat* requires a Chinese bank account to use this function, they had never actually used *Red Packets* themselves.

These examples and stories illustrate why and how *Red Packets* could deeply influence Chinese social relationships and how they could indeed take the lead in developing new personal relationships. All the interviewees were very open to sharing their own stories, however, some of them were not interested in sharing the financial aspects of their *Red Packet* usage. This data does not reflect all segments of Chinese society. Exclusions of note are residents of western China and Chinese people over sixty-five years.

## WHAT IS WECHAT?

*WeChat* began as a project at the Tencent Guangzhou Research and Project Center in October 2010. The original version of the app, *Weixin*, was invented by Xiaolong Zhang, and named by Ma Huateng, CEO of Tencent. In April 2012, *Weixin* was re-branded as *WeChat* for the international market. On 12 August 2015, Tencent revealed *WeChat*'s Monthly Active Users (MAU) metric<sup>1</sup> to be 600 million, a rapid increase over the previously released figure of 549 million MAUs released only five months previously.<sup>2</sup> *WeChat* is a social application that combines a communication function similar to *WhatsApp* or *Messenger*, a digital payment function—which connects to the customer's private bank account (similar to *Paypal* or *Alipay*)—and also information posting via *Moments* (like *Facebook*). With this multi-functional application, each smartphone owner uses one or two accounts (one for work and a second one for his or her personal life).

According to the GSMA Intelligence 2016 research report<sup>3</sup> there are 1.3 billion people in China who have mobile device connections, 62 percent of whom were using a smartphone by the end of 2015, exceeding the Europe average of 55 percent. Concurrent to the rapid increase in mobile device usage, *WeChat* has become the number one social application in China with 600 million active users, which represents 93 percent of the Chinese social app market. *WeChat* is not only a social messaging app, with multiple functions such as Moment, Contact Card, Share Location, Real Time Location, Wallet, Red Packet and Transfer; *WeChat* also has a *WhatsApp*-like messaging function, which has a practical use in daily life.

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**1** | Monthly Active Users is one of the ways to measure the success rate of online social games and social networking services. The metric is defined by counting the number of unique users during a specific measurement period.

**2** | Steven, Millward. "WeChat now has 500 million monthly active users" Accessed April 30, 2016. <https://www.techinasia.com/wechat-500-million-active-users-q4-2014>

**3** | Data sources from: GSMA Intelligence. <https://www.gsmaintelligence.com/markets/623/dashboard/>

## WHAT ARE “RED PACKETS”?

In China, a *Red Packet* is a monetary gift, given during holidays or special occasions such as weddings, graduation or the birth of a baby.<sup>4</sup> *Red Packets* are given by older people to younger ones, by married people to unmarried ones, or by employed people to unemployed ones. During the Chinese New Year, the older generation traditionally put money in a red envelope and give it to the younger generation with best wishes for the coming new year; they also prepare *Red Packets* with small amount of cash for neighborhood kids. In the streets, all the flowerpots are decorated with lots of red packets.

Image 1



A red packet given to my nephews this year, bearing the word of my family name: Ji

When I was little, the most exciting thing about New Year was waiting for midnight on New Year’s Eve when my parents took out *Red Packets* to give to me—inside was brand new money. However, before they gave them to me, I had to say “gong xi fa cai, hong bao na lai”, which means: “I wish you a good fortune,

4 | “Red packet: Sign of prosperity” Accessed: May 1, 2016. <http://www.char4u.com/content/red-packet-sign-of-prosperity/>

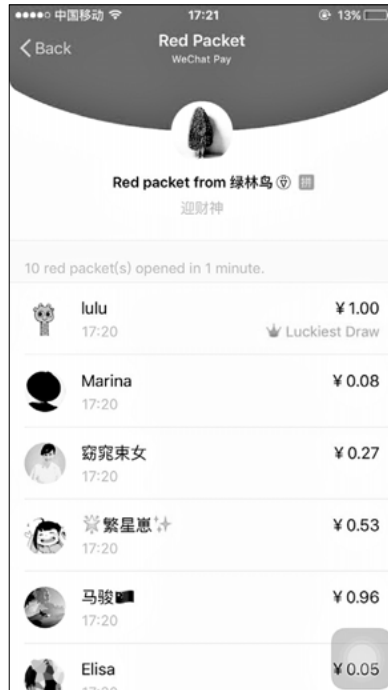
give me a red packet!" Since going to work, after graduation from university, I no longer receive red packets from my family or relatives. Instead, I now have to prepare them for my twin nephews who are the sons of my elder sister.

I still remember the night before my elder sister's wedding, when my mother and I prepared a small amount of red packets for her big day. My mother was actually very sad about the fact that, in traditional Chinese culture, when a daughter gets married this means that she will go to her husband's home; henceforth she will belong to her husband's home. My mother was not looking forward to the day that her daughter would go to her husband's home because she feared that this change might mean her daughter would have a less caring relationship with her mother than before. The next day, my new brother-in-law came to my house to pick up my sister. He and his best man first needed to complete all of the bridesmaids' tasks while remaining outside the front door. According to Chinese tradition, the bridesmaids are responsible for protecting the door until all tasks are completed. The tasks could include, for instance, performing fifty push-ups or singing a technically challenging love song to the bride. In practice, most of these tasks remain uncompleted. To compensate for such uncompleted tasks, they must send *Red Packets* through the door to the bridesmaids, then after at least 30 minutes, the bridesmaids may finally grant them entry in order to take the bride away. Another traditional Chinese ritual involves the newly married couple serving tea together with green tea leaves, red dates and lotus. After serving tea for the third time, the couple must formally address each other's new in-laws as "father" and "mother" for the first time. Following this, the new couple receives a large number of red packets from the older generation. Nowadays, in the virtual social world, things have changed. Virtual consumption leads to a change in people's values, and this affects their patterns of consumer behavior. *WeChat* launched *Digital Wallet* in 2013. Since then, people have used the *WeChat Wallet* payment system for consumer activity in daily life—for instance, shopping in convenience stores, restaurants and even buying street food. In early 2014 just before Chinese New Year, *WeChat* launched a new product; it became possible to digitally "send" *Red Packets*. Each *Red Packet* can be 'filled' with any amount from 200 RMB<sup>5</sup>; there is no upper limit on the amount that can be sent but there is a single bank account limit of 50,000 RMB each day. People send *Red Packets* via *WeChat* without rituals or red-envelope objects and without meeting face-to-face; they only need to click on their smartphone for 5 seconds, after which everything is taken care of.

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5 | RMB Chinese Yuan Renminbi—the official currency of the People's Republic of China.

Image 2



Red Packet WeChat screenshot.

In 2015, WeChat cooperated with other major Chinese companies to launch “Yao Yi Yao.”<sup>6</sup> Five hundred million RMB were sent in *Red Packets* whilst playing the game during Chinese New Year 2015.

According to WeChat official data, people sent 51,94 billion *Red Packets* (equivalent to 37 *Red Packets* per person) via WeChat over six days during Chinese New Year 2016. This was a 16-fold increase in comparison to the same six days of the last Chinese New Year, which saw 3,27 billion *Red Packets* sent via WeChat. However, WeChat did not publish the total amount of money of the *Red Packets* sent during 2016 Chinese New Year.

Divided by generation, the predominant user group are people born in the 1980s who sent 10,2 billion *Red Packets*; people who were born during the 1960s-1980s sent more than 0,8 billion *Red Packets*; people who were born before the 1960s only sent in total 0,4 billion.

**6** | “Yao Yi Yao” is a commercial entertainment game during the Chinese New Year eve gala, which involves shaking a random amount of *Red Packets*. When the event hosts announced “action”, people who have WeChat accounts keep shaking their cellphones for about 30 seconds, could get a random amount of *Red Packets*.

## HOW DO *WECHAT RED PACKETS* IMPACT ON REAL AND VIRTUAL RELATIONSHIPS?

Prior to the emergence of *WeChat Red Packets*, the giving of *Red Packets* was normally confined to happy occasions. Today, *Red Packets* are also used in other situations. For example: Huijuan is a graduate student at the Humboldt University in Berlin who, while researching her thesis, needed to find some Chinese academic information. She posted on *WeChat Moment* asking for help from her friends living in China who could offer her a user account in order to access the Chinese National Knowledge Infrastructure website—she added the comment: “despite lots of love, will offer a *Red Packet* in return for your help.” Examples such as that of Huijuan, illustrated to me how *Red Packets* are now being sent between friends who provide help. Last year in May, I injured my ankle in an accident. The consequence of the injury meant I could not walk anywhere so I stayed at home for nearly two months. After posting about this incident in a *WeChat Moment*, I received kind greeting messages from more than one hundred friends—some of them came to see me, bringing me gifts such as packages of fruit or flowers. Amongst those who could not come in person, some instead sent me *Red Packets* via *WeChat*. With the fast-growing urbanization of China, people often move away from their hometown to big cities; families no longer live close, or they are too busy with their work and personal life. More and more, people are choosing to send red packets with greeting messages via *WeChat* instead of spending the time to go shopping for gifts and visiting in person, because it takes too much time and also might interrupt the recipient’s daily schedule. In a company *WeChat* group, however, things could be just the opposite; to give an example, a senior manager or a team leader sends a *Red Packet* to the group. Group members who are at a lower level in the company are usually quite cautious and hence they hesitate to open the packet at all.

In my former colleague’s *WeChat* group, I once saw a *Red Packet* sent by a general manager. Curiosity drove me to click and see whether or not the other group members had opened the *Red Packet*. For those group members who had opened them, I was able to see the details of the sent status, while I was forced to keep waiting to see whether the remaining group members would open their *Red Packets* or not. I simply could not understand the psychology of those users who had not yet opened their gifts. Later, one co-worker told me that she always opens her *Red Packets* the minute she sees them, while other colleagues joked with her, asking “Why is your internet connection always so much faster than ours?” In the end, in order to save face, she ended up having to send a larger amount of *Red Packet* money back to the group than she had received from the group in the first place. In the case of another colleague who rushed to open her *Red Packets*, her colleagues asked her to buy lunch for everyone in the office and

no one turned her offer down. In order to avoid this political office game, less and less people tend to scrape for *Red Packets*, resulting in the *Red Packets* being returned to the sender unopened after twenty-four hours. However, younger colleagues are still very addicted to this game mode, so they continue to scrape for *Red Packets*.

### How Do *Red Packets* Become Addictive?

*Red Packets* become addictive, particularly in *WeChat* groups, which are limited to a maximum of five hundred members. *WeChat* groups are set up by one person who invites his or her *WeChat* friends to join his group. Group members normally do not know each other, as they usually only know the person who invited them to join the group. The group typically has a specific subtitle—for example, among my *WeChat* groups there are traditional cultural, travel, classical-music and virtual-reality sub-groups. Members either talk about the topic and events in the subtitle or they post advertisements and relevant links. Often I have received about 1000 messages from just one group, forcing me to mute such notifications. Once you send a *Red Packet* for a random amount, people in the group will scramble for it, as otherwise they will be too late and go empty-handed, receiving the notification, “better luck next time.” In addition, when the amount is set to “random,” the person who opens the packet containing the largest amount will be marked as having received the “luckiest draw.” The game model of the group *WeChat Red Packet* stimulates people’s enthusiasm and initiative, at the same time exposed among the users a lack of independent personality, criticism, savvy, self-reflection or creativity (Saunders 2002).

Mr. Mao had a big family reunion on the Chinese New Year’s Eve. His family set a specific *WeChat* group named “Family group only for red packet scramble.” In this game model, a portion of the amount a person receives from the group needs to be sent back as a courtesy to those with whom one maintains an interpersonal relationship.

He and his relatives—even their kids—are in this game war. They teach kids how to send and open *Red Packets* via *WeChat* when they do not have time to check their own cellphones, thus their kids help to scramble for *Red Packets* from the group. This reciprocity of sending and receiving, results, in a subtle way, in the relationship becoming closer and stronger. Nels is a girl from Shanghai who lives in America, with her husband. She migrated there and started her own business as a purchasing agent. She knows how urban Chinese girls are fond of purchasing luxury goods from USA because the prices for these goods are much lower overseas than in China. Nels would go to shopping malls or outlet stores to search for goods on sales for her customers. She took nearly fifty pictures and videos of luxury-brand products and posted nearly

fifty of them every day to *WeChat Moments*. Her friends shared her contact card with others, or posted her QR code on *Moments*, and also shared their own experience of purchasing products from Nels. This led to an expansion of her business. She receives about 15-20 friend requests every day, and even though she doesn't know all of her customers, it apparently does not affect her business. All her customers send her product price fee via *WeChat Red Packets*, and in return she sends a package containing the products to them. She told me that her daily order income is nearly 10,000 RMB—her family dedicates an entire room to the storage of her goods for sale.

In fact, there are many such small internet businesses that are similar to Nels'. They pay no income tax or extra fees and they don't need to start a company. They do everything with their smartphones and process all deals via WeChat<sup>7</sup>.

### **WeChat Red Packets are Occasionally Used Illegally**

According to a Jie Fang daily newspaper report, a group of people used the *WeChat Red Packet* platform to gamble. The Shanghai Xuhui district court, in the first Chinese *WeChat* gambling case, sentenced the leaders of the *WeChat* gambling group to ten months in prison. The *WeChat* gambling group had two hundred members. The rule of their gambling was for each one to send a random-amount *Red Packet* worth 288 RMB. After that, the group member who drew the lowest amount due was required to send a next round of *Red Packets* and so on, while the group leader got a 28 RMB commission fee from each transaction. The group sent about 500 *Red Packets* with a total value of 100,000 RMB. Members of this group averaged twenty-six years of age. One police officer said that the four main criminals didn't realize that what they were doing is illegal until the police got involved. Although this case differs from a traditional gambling case, the main features of the two are essentially the same, the only difference being that one is in the virtual world while the other is in a real life. Since 2014, instances of *WeChat Red Packets* sent with intent to defraud are becoming more common. Fraudsters send *Red Packets* carrying links with viruses designed to get personal information, the weakness of humanity helping them to acquire illegal wealth.

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**7** | After moving to Berlin, I never spoke with friends about becoming a purchase agent as I am not at all interested in doing that. However, when a friend asked me to buy milk powder for her baby, knowing of the food-safety concerns in China especially regarding milk powder for babies, I did her a personal—not a commercial—favor for her. She sent me the money to pay for the products via *WeChat Red Packets*. As far as I know, nearly every Chinese student in Berlin uses *WeChat* in this way, either for their own business like Nels', or for their family and friends.

## CONCLUSION

*Westerners are cautious with wealth conversation, but Chinese are very fond of this, especially after experiencing a rapid economic growth period; people are exciting with the small amount of unexpected fortune* (Interview with Craig, an American who works in China, March 2016).

While a red packet is a monetary gift, it symbolizes a transfer of emotions during interpersonal communication; it serves to strengthen otherwise weak virtual interpersonal relationships. The problem arises over habit: if someone served you a cup of coffee every morning and a glass of wine every night, and so in a similar way you received red packets regularly on each festival, you would subsequently consider it to be an essential part of your life. People who are addicted to *Red Packets* always say, “don’t speak of *Red Packets* as being a solution”, or “if one *Red Packet* is not enough, then send two”. *WeChat Red Packets* have become a public mechanism to deal with certain situations: one sends a *Red Packet* as a new *WeChat* group member, or as a departing *WeChat* group member who wishes to say goodbye. One sends a *Red Packet* in order to ask a favor of someone—to forward something or to ask that they vote for a post, etc. In the social world, people tend to persist in the sending and the scraping of *Red Packets* until eventually their thumbs get tired. Mankind is so interesting and complicated! A *Red Packet* sent through *WeChat* is not simply a payment or a monetary gift, it has also become a social mechanism. The expansion of *WeChat Red Packets* is not only about how the corporations execute their strategy, it is also about people who we would never expect to participate in the *Red Packets* scraping war. For example, people from Hong Kong and Taiwan try to find a way to open a Chinese bank account in order to register with *WeChat* so that they can use *Red Packets*. A well-known quotation reads, “no red packets, no social.”<sup>8</sup> This radically new phenomenon of *Red Packets*, combined with the highly complex social application *WeChat*, is fast becoming a completely new form of gaming and entertainment in China.

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**8** | Tech Tencent. “Big data reading: The secret of Chinese netizen scrambling red packets”. (《大数据解读：中国网民抢红包的秘密》). Last accessed 1<sup>st</sup> May, 2016. <http://tech.qq.com/a/20160229/008778.htm>

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