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Guanxi Consumer Behaviour: Concept, Measurement, and Applications

RUOCHENG ZHAO

PHD IN CONSUMER RESEARCH

BIRKBECK, UNIVERSITY OF LONDON

Abstract

This thesis investigates guanxi consumer behaviour from an institutional perspective, offering a novel approach to understanding how Chinese guanxi institutions shape consumption patterns. The research is presented in three interconnected papers:

1. **Theoretical Foundation:** The first paper establishes a theoretical framework for guanxi consumer behaviour, distinguishing between rational and irrational behaviours influenced by guanxi institutions—a network of personal relationships that profoundly affects social and economic interactions in China. It elaborates on key concepts such as power, price sensitivity, convenience, symbolic value, and emotion, laying a comprehensive groundwork for analysing how guanxi impacts consumption decisions.
2. **Development and Validation of a Measurement Scale:** The second paper introduces a scale designed to quantify guanxi consumer behaviour within the context of institutional boundaries. Through empirical validation, the scale confirms the relevance of the guanxi framework in consumer behaviour analysis. It identifies power, price sensitivity, convenience, symbolism, and emotion as key determinants of guanxi consumer behaviour. Additionally, it uncovers the existence of institutional boundaries within guanxi consumer behaviour, noting that consumers with high and broad guanxi networks possess a deeper understanding of guanxi consumer behaviour compared to those with limited and narrow guanxi connections.
3. **Application and Analysis:** The third paper applies the developed scale to explore the interaction between guanxi consumer behaviour and related

institutional concepts such as renqing (favour), mianzi (face), and sustainability. Findings reveal that guanxi consumer behaviour varies significantly with the level of guanxi activity, with more pronounced institutional impacts observed in groups with lower guanxi activity.

Overall, this thesis makes a substantial contribution to the field of consumer behaviour by conceptualising and empirically validating guanxi consumer behaviour as a crucial element of institutional consumption. It highlights the dual impact of rational and irrational behaviours within guanxi networks and emphasises the need for a more nuanced understanding of institutional influences in market research. This research enriches the institutional consumption perspective by linking it with measurable consumer behaviours, providing valuable insights for both academics and practitioners navigating the intricate landscape of consumer behaviour in guanxi context.

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Chapter One : Introduction

1. The background

The interaction between consumers and institutions has been explored in various studies (Nicosia and Mayer, 1976; Warde, 2015), highlighting the human relationship between different institutions. Notably, China stands out as a significant consumer market, distinct from Western models, with a unique focus on interpersonal dynamics (Lu et al., 2009). In China, the concept of 'Guanxi', which denotes the network of personal connections (Fan, 2002), plays a vital role. Guanxi is an informal norm of interpersonal exchange that regulates and facilitates privileged access to sentimental or instrumental resources at the dyadic or network level (P. P. Li et al., 2019). This research is dedicated to examining the role of guanxi in consumer behaviour, an essential aspect of China's social fabric. Guanxi-based consumer behaviour involves spending on goods or services to develop, sustain, or leverage these special Chinese social networks. Despite guanxi's widespread recognition, its specific influence on consumer behaviour has yet to be thoroughly analysed in academic literature.

Our research uses the institutional perspective as the theoretical background of guanxi consumer behaviour. In sociology and anthropology consumption, the institution is one of the characteristics that can impact the consumption field (Warde, 2015; Zukin & Maguire, 2004). Several consumption phenomena have already demonstrated consumer behaviour within institutions, such as status (Veblen, 1899), liquid (Bardhi & Eckhardt, 2017), sustainability (Trudel, 2018), and political consumption (X. Zhao & Belk, 2008). However, none of those studies comprehensively understand the institutional consumption sector (Warde, 2015). Humans are the fundamental building blocks of society in the field of sociology. Once society is formed, human relationships must be formed. From the institutional perspective, the above consumptions rely on human relationships to some extent. Recent top journals have

highlighted the importance of studying dyads and small groups rather than individuals (MacInnis et al., 2020). Thus, one vital piece of the puzzle is necessary to gain a deeper understanding from the institutional perspective of consumption: the institution of human relationships in shaping consumption patterns. Human relationships contain different institutions across nations, called *guanxi* in China (Xin & Pearce, 1996). Thus, *guanxi* is one of the institutional components that can impact consumer behaviour in the Chinese context. Studying *guanxi* consumer behaviour helps understand consumption from the institutional perspective.

The existing *guanxi* consumer behaviour contains three kinds of research focus. The first focus is on consumption areas related to *guanxi*, such as tea (Quanmin Li, 2015), cigarettes (Ding & Hovell, 2012; M. Hu et al., 2012), wine (Menival & Han, 2017; Y. Yang & Paladino, 2015), and banquet consumption (Whyte, 1997). Second, the researcher tries to analyse the *guanxi* operations, such as revealing the phenomenon of bribes and *guanxi* practice (Huang, 2000; L. Li, 2011; Riley, 1994; Steidlmeier, 1999). We can also find the consumption evidence inside the *guanxi* operation. Thirdly, researchers have found that *guanxi* can be associated with various consumer behaviours, such as conspicuous consumption and gift-giving (Ying, 2003; Feng, Chang, and Holt, 2011; Ngai and Cho, 2012). However, the concept of *guanxi* consumer behaviour needs develop systematically.

The institutional perspective of consumption viewed that the institution could influence consumer behaviour (Coşgel, 1997; Nicosia & Mayer, 1976; Warde, 2015). As mentioned above, *guanxi* is one of the Chinese institutions that can be studied to improve the whole institutional-related consumer area. Meanwhile, the existing research shows evidence of the existence of *guanxi* consumer-related behaviour. However, existing articles have not paid attention to *guanxi* consumer behaviour; instead, they have shifted their focus towards the operation of relationships, the

connections of consumer goods, and other related consumer fields. As a result, they have not explicitly presented guanxi consumer behaviour and its definition, thereby neglecting to aid the development of this field. This has created a gap between institutional perspectives and consumption studies related to guanxi. To address this issue, we need to propose a new framework for studying consumption patterns influenced by human relationships in China, which we refer to as guanxi consumer behaviour.

2. The research structure and focus

2.1. The research structure

Our study developed the concept of guanxi consumer behaviour, constructed a measurement tool, and explored its relationship with other institutions. The study will be divided into three chapters. The first chapter focuses on the concept of guanxi consumer behaviour. We first review the theoretical background. The institutional perspective of consumption has various phenomena, such as status consumption. We believe guanxi consumer behaviour is one of consumption based on institutional perspectives. Then, the integrative literature reviews were conducted to construct the definition of guanxi consumer behaviour. Guanxi consumer behaviour refers to consumers who purchase products and services through guanxi-related institutions, particularly during guanxi establishment, maintenance, and utilisation. Then, we focus on the framework of guanxi consumer behaviour. We compared different types of typologies of guanxi and found the contradiction between them. Thus, we use the consumption typology to differentiate guanxi consumer behaviour, which are rational and irrational guanxi consumer behaviours—the seven determinates under this framework. The rational behaviours of guanxi consumers include the need for power, convenience, and price sensitivity. Irrational consumer behaviour can be identified by

objects that contain certain symbols, guanxi completion symbols, the behaviour that displays certain symbols and emotional effects.

The framework and guanxi consumer behaviour has been built. The research gap moved to how we can measure guanxi consumer behaviour. The second paper measures rational and irrational guanxi consumer behaviour based on institutional boundaries. Rational guanxi consumer behaviour contains three main sub-determinates: the need for power, convenience, and price consciousness. We reviewed the scale development paper within the intuitional consumption field (Balderjahn, Buerke, et al., 2013; Balderjahn, Peyer, et al., 2013; Eastman et al., 1999; Fischer et al., 2017; O’Cass & McEwen, 2004; Quoquab et al., 2019; P. Sharma, 2010). We found that these papers normally lack a discussion of institutional characteristics, such as institutional boundaries. These papers assume everyone perceives the institution in the same pattern, neglecting the different boundaries of institutions. Thus, the scaled development considered the guanxi institution boundary by using cluster analysis. The irrational guanxi consumer behaviour contains symbolism and emotional effects. We built different question items on it, and 28 questions have been selected from our literature. This research asked the respondents about their contact frequency. The cluster analysis was generated based on contact frequency. Interestingly, the wider guanxi connection and high activity of guanxi operators have higher scores on our question items. This certifies that guanxi consumer behaviour exists within the guanxi operating group.

Using the rational and irrational scales, we will examine how the institutional environment in China affects guanxi consumer behaviour. In our initial article, we discovered that many studies simultaneously discuss the impact of related institutions and guanxi on consumer behaviour (Qian, Razzaque and Keng, 2007; Sun, D’Alessandro and Johnson, 2014). Notably, numerous papers mentioned concepts such as renqing, mianzi, and sustainability. Consequently, we propose a quantitative analysis

to explore the interplay between these institutions and guanxi consumer behaviour, thereby resolving the issue of conceptual ambiguity. To accomplish this article, we need to summarise the literature on institution-related consumption, identify their analytical frameworks, and pinpoint potential problems within these frameworks (Gleim et al., 2019; Kropp & Totzek, 2020; Teo et al., 2003). Subsequently, we will integrate relevant institutions into these frameworks to discuss their connections with guanxi consumption individually. The literature categorises institutions into various types, such as coercive and normative (Gleim et al., 2019). Drawing from these frameworks, we chose to apply Scott's (1995) regulatory and cognitive frameworks for our analysis. Additionally, we noted that these studies often overlook the problem of institutional boundaries, assuming a uniform understanding of institutions among all consumers. Therefore, based on the methodology in Chapter Three, we also identified the boundaries of these institutions and explored their impact on the behaviour of consumers both within and beyond these boundaries. Furthermore, we conducted a literature review on the roles of renqing, mianzi, and sustainability in guanxi consumer behaviour and established the direction of their impact. Ultimately, we uncovered counterintuitive results: cluster analysis delineated institutional boundaries, distinguishing between high and low guanxi activity groups. Interestingly, our hypothesis received more support in the low guanxi activity group. This occurrence may be attributed to the high-activity group's more frequent interactions with guanxi institutions, enabling them to find a balance between different institutional demands and make decisions that are more advantageous to themselves rather than being constrained by institutional frameworks.

2.2 The research focus

In our thesis, we pursue two primary lines of research. One explores how to understand guanxi consumer behaviour, covering its definition and classification in the second chapter, the development of measurement methods in the third article, and how

other institutional factors influence it in the fourth chapter. The structure above provides a clear perspective on how we conceptualise guanxi consumption.

The second line of research adopts an institutional perspective in consumer studies. Although this perspective has not yet formed a fully unified discipline, several scholarly communities—including social consumption (Nicosia & Mayer, 1976; Warde, 1990), anthropology (MacInnis & Folkes, 2010), and cultural studies (Arnould & Thompson, 2005), emphasise the critical role of institutions in shaping consumer behaviour.

Based on existing literature, we identify at least two stages in consumer studies from an institutional perspective. The first stage explores how institutions influence consumer behaviour and lead to new consumption theories, such as status consumption (Veblen, 1899) and sustainable consumption (Trudel, 2018; White & Simpson, 2013). In our first paper, we argue that “guanxi” can also function as an institution (Li et al., 2019), shaping consumer behaviour and giving rise to a new theoretical framework — guanxi consumer behaviour.

The second stage focuses on existing consumer communities. It examines how consumer activities and social practices create new consumption institutions, such as emerging or contested groups in fashion consumption (Dolbec & Fischer, 2015). Our second and third papers adopt this second-stage perspective. By incorporating institutional theory, they investigate whether new groups emerge within guanxi consumption communities or how other institutions affect established consumption practices. In the second paper, we observe that even under the same guanxi institution, there is a clear distinction between “highly active guanxi groups” and “less active guanxi groups,” each with a notably different understanding of guanxi consumption. The third paper uses quantitative methods to analyse the influence of additional institutional factors. It shows that institutional effects vary across different groups—

institutions constrain the less active groups while serving as a reference for the more active ones. The result confirmed the different reactions when people face the same institution (Oliver, 1991) and confirmed the institution plays different roles to the individual and organisation (Dequech, 2006). These findings represent different facets of our investigation into guanxi consumption from an institutional perspective.

3. The method to develop the thesis

To establish the framework of guanxi consumer behaviour, we first defined guanxi consumption in Chapter 2 and distinguished it from other types of consumption. In this chapter, we used an integrative review approach to search for all articles mentioning both guanxi and consumption. From articles that we selected, we analysed possible scenarios of guanxi consumer behaviour and built a typology. Finally, we classified guanxi consumption into rational and irrational behaviours. In Chapter 3, we applied confirmatory factor analysis and exploratory factor analysis to develop measurement scales for rational and irrational guanxi consumer behaviour. Additionally, cluster analysis revealed differences in how the scale was understood under different institutional boundaries. In Chapter 4, we examined the impact of other institutions on guanxi consumer behaviour. We used a structural equation model to measure the effect of these institutions on guanxi consumer behaviour.

We apply integrative review methods to search related topics and develop a definition of guanxi consumer behaviour. The research on guanxi consumer behaviour is vague, although many papers refer to it. This is what we call the need to redirect thought from existing literature and to provide a new view (Torraco, 2005). Thus, the integrative literature review methods are used to analyse the existing literature. The integrative literature review was applied to analyse research relevant to our situation (Badrinarayanan et al., 2015; Krishna, 2012; Nakata & Sivakumar, 1996). We use the integrative review as the critical method to conduct our research. We can find

information about consumer behaviour related to guanxi in books and research papers. This is one of the reasons that we use the integrative review. Another reason is that guanxi consumer behaviour is a new research topic, and integrative review can help us build a new theory and framework (Elsbach & van Knippenberg, 2020).

The integrative review included a paper selection procedure (Elsbach & van Knippenberg, 2020; Torraco, 2005). We included renqing, mianzi and gift-giving. Renqing is a type of emotional debt that one must repay when someone does you a favour (Barbalet, 2018). The exchange of renqing refers to the tradition of giving each other gifts during holidays (You, 2019). Mianzi is an institution that saves face and avoids losing face. In consumption, mianzi is represented by the pursuit of prestige or expensive buying (Qian et al., 2007). Belk and Coon started gift-giving research which describes the behaviour of gift exchange among Western individuals (Belk & Coon, 1993). Liwu is the Chinese tradition of giving gifts, commonly practised in Chinese culture (Kipnis, 1996). These three areas are all related to guanxi. Keywords such as Chinese guanxi, consumption, consumer behaviour, renqing, mianzi, and gift-giving in the Chinese context are used. This targeted search helps filter relevant papers from a vast pool of guanxi-related articles. We set clear criteria for including and excluding papers. Papers must relate to guanxi, consumption, and consumer behaviour, specifically emphasising types of consumption and guanxi. Papers that mention these keywords but are not relevant to guanxi consumption and consumer behaviour, as well as those related to relationship marketing, are excluded.

Our study selected only fifty-three papers out of thousands of related documents from different keyword selections. These papers covered various types of guanxi consumer behaviour and other forms of consumption. Our literature also includes two book resources, Yang (1994) and Nojonen (2003). The study focused on relevant papers published between 1991 and 2023.

After classifying the guanxi consumer behaviour, the research aims to understand how consumers think about guanxi consumer behaviour and which consumer groups rely on it. The paper will develop a questionnaire from this study's initial item pool (a set of question items). The research combines a maturity scale with expert interviews to create questionnaires. This approach is considered more reliable due to the established reliability and validity of the maturity scales (Strizhakova et al., 2008). After expert reviews, an initial set of 31 items reflecting rational and irrational guanxi consumption is refined to 28 items. Respondents will be asked to indicate their level of agreement with each of the 28 statements. Using a five-point Likert scale anchored by 'not very often' and 'very often'.

For the pilot study, we pre-tested the questionnaire to ensure the question items were accurate and made sense. Then, the primary data collection will be conducted with a reliable questionnaire company, such as WJX.cn, which is the biggest questionnaire company. Various journal publications (Fang et al., 2014; Z. Zhou et al., 2016) use this service to be considered reliable. The questionnaire will be given in three parts. The first will introduce the theme and inform the respondents of the purpose of the research and what it will be testing. The second part will contain demographic questions, e.g., requesting a participant's gender, age, and workplace. We added the WeChat connection as part of the questionnaire. We consider more guanxi in society may represent more WeChat connection on their phone. The third section will contain the questionnaire items, designed to fit the latent constructs by measuring opinions using the seven-point Likert scale from strongly disagree (1) to agree strongly (7). The five dimensions of consumption are the need for power, price sensitivity, convenience requirement, symbolic consumption, and emotional effect. The need for power, price sensitivity, and convenience belong to the more significant dimension of the rational perspective of guanxi consumer behaviour. The rest of the five belong to the irrational perspective.

Control groups are created for cluster analysis, using variables such as the frequency of meeting guanxi and the number of WeChat friends. Partition Around Medoids (PAM) cluster analysis is also performed. The cluster analysis can track guanxi consumption in different group layers, such as the activated and non-activated guanxi groups. This can help us compare factor loading across the group and show the existence of guanxi consumer behaviour. 612 Chinese consumers participated in the study. The data is cleaned in two stages to remove invalid responses and contradictions, resulting in 394 valid questionnaires. We removed all students from the group because they did not attend work and their relationships might be too close to the social effect.

Both Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) are used to test the structure of the scale and the correlation among measured items. CFA is especially important for developing a measurement for comparing multiple groups. The R software will be chosen to execute the methods. Factor extraction (dimension development) will follow the threshold of eigenvalues above one, which is the MINEGEN criterion. In further research, the factor dimension less than the eigenvalues of one will be dropped. In the EFA research, we will run the Bartlett test of sphericity to check the significant chi-square value. This will help confirm that the correlation within the same dimension is sufficient (J. F. Jr. Hair et al., 2014). After these items have been checked, the measurement of the *guanxi* consumption will be valid.

This article's primary data collection method was survey analysis, through which we gathered 615 valid questionnaires. Through a subgroup experiment, the research was divided into two studies. The study one focuses on the main effects. We investigated the impacts of personal Renqing (favour), Mianzi (face), and sustainable institutions on guanxi consumer behaviour. Initially, we employed confirmatory factor analysis to validate the structure of the entire questionnaire. Subsequently, structural

equation modelling was used to test the causal relationships between institutions and relationships. In the second study, cluster analysis identified institutional boundaries of guanxi consumer behaviour. This analysis classified guanxi consumer behaviour into high and low guanxi activate groups, which were highly consistent with the institutional boundaries identified in our previous article. We conducted confirmatory factor analysis separately for both groups to validate their reliability and validity, finding that the high guanxi activate group exhibited better reliability and validity than the low guanxi activate group. We unexpectedly found that the low guanxi activate group showed more significant results through independent structural equation modelling tests of the two guanxi groups.

4. The implication

Building on these two lines of research, we developed a theoretical framework to examine guanxi consumer behaviour. Previous studies have often treated guanxi as just one factor among many in Chinese consumption, which blurs our understanding of the behaviour itself (Qian et al., 2007; Sun et al., 2014). Therefore, in Chapter Two, we review the consumer behaviour literature to define “guanxi consumer behaviour” and propose a conceptual framework distinguishing between its rational and irrational aspects, thereby making a theoretical contribution to future studies on guanxi consumption.

In Chapter Three, we established a measurement to assess guanxi consumer behaviour on a larger scale effectively. The findings show that consumers with different levels of engagement have significantly different perceptions of guanxi consumption. This result clarifies that low-activation and high-activation groups follow different behavioural patterns. Notably, this study is among the few considering different groups

at the scale development stage, thus providing further insight into guanxi consumption theory.

Chapter Four provides a clearer view of how guanxi consumption varies under different institutional settings. When other institutions intervene, guanxi consumption displays different patterns across various groups. We establish guanxi consumption as a unique consumption context by distinguishing it from other Chinese institutions. Discussing these underlying mechanisms addresses the past tendency to merge guanxi consumption with other institutions.

From another line of research, our methodological approach underscores the need to explore consumer behaviour from an institutional perspective further. To confirm the theoretical existence of guanxi consumer behaviour, we briefly review consumption under an institutional lens, dividing it into two stages. In Chapter Two, we argue that institutions both constrain and create new consumer behaviours (Warde, 1990, 2015), leading us to propose that guanxi consumption indeed exists. By synthesising relevant studies, we identify guanxi consumer behaviour as a new type of institutional consumption parallel to phenomena such as status consumption.

Building on this, our measurement research and cluster analysis of guanxi consumer behaviour provide quantitative support for the second stage of institutional research. That stage focuses on how consumers, through practice, develop new institutional boundaries (Dolbec & Fischer, 2015; Zietsma & Lawrence, 2010). Using our guanxi consumption scale and cluster analysis, we identify consumer groups with different degrees of activity, finding that they display varying behaviours and interpretations of guanxi consumption. This approach—rare in institutional consumption research—presents quantitative evidence of institutional boundaries

within consumer groups and offers a helpful reference for future investigations into guanxi consumption and other institutionalised consumer phenomena.

Lastly, in the fourth chapter, we observe that when additional institutions interact with guanxi consumption, different groups respond in distinct ways to institutional pressures. This offers a useful case for evaluating how institutional theory might extend into consumer research. Some groups are more inclined to accept the institution's influence, while others seek a balance more advantageous to themselves within the institutional context. This reaction provides evidence and a mechanism that people will react differently when facing the same institution (Oliver, 1991).

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Chapter Two: Guanxi Consumer Behaviour: Existence, Definition, and Classification

1. Introduction

Institutions can shape consumer activities (Nicosia and Mayer, 1976; Warde, 2015). Human relationships involve lots of different institutions globally. China, one of the world's largest consumer markets and different from Western institutions, has a remarkable orientation toward human relations (Lu et al., 2009). *Guanxi* is a Chinese term referring to interpersonal connections (Fan, 2002). Guanxi as an informal norm of interpersonal exchange that regulates and facilitates privileged access to sentimental or instrumental resources at the dyadic or network level (Li et al., 2019). This study aims to investigate the phenomenon of guanxi consumer behaviour, which is a crucial institution of human relationships in China. The *guanxi* consumer behaviour is when a person spends money on a product or service to seek, build, maintain or use the Chinese-specific interpersonal connections of *guanxi*.

The concept of guanxi consumption is rooted in an institutional perspective. The institutional perspective suggests institutions can shape local consumer behaviour (Coşgel, 1997; Zukin and Maguire, 2004). The institutional perspective on consumption includes status (Belk, 1995; Coşgel, 1997; Warde, 2015), liquid (Bardhi and Eckhardt, 2017), political (X. Zhao & Belk, 2008), and sustainable consumption (Trudel, 2018). Guanxi can be considered an institution in the Chinese context and may involve consumer behaviours that are yet to be explored from an institutional perspective.

Consumer behaviour under the Guanxi institution has merely been mentioned in the research area. In our literature review, we searched for consumer behaviour related

to guanxi and found a few papers linked to our research. These papers can be summarised into three areas: how to practice guanxi with specific guanxi dyads (For example, Riley, 1994; Law et al., 2000; Li, 2011), which shows some of the consumer behaviour under the guanxi practice. What types of consumption are linked to guanxi (For instance, Yang, 1994; Kipnis, 1996; Sun, D'Alessandro and Johnson, 2014), and how guanxi is related to other areas of consumption (For example, Ying, 2003; Grier, Hicks and Yuan, 2016; Jiang and Shan, 2018). Three research areas have shown that the consumption of guanxi is still a relatively new concept and has not been systematically analysed yet.

The recent research above has determined a few gaps within guanxi consumption. From the institutional perspective, guanxi does have the ability to impact consumer behaviour. However, guanxi consumption has not been reported from the institutional perspective academically. Some related studies focus on topics beyond guanxi, such as children's consumption patterns (Ngai & Cho, 2012). Those kinds of studies mentioned the words of guanxi, but the topic is not guanxi consumer behaviour. Some of the research provides information about guanxi practices¹ that are linked to consumer behaviour, such as bribery (P. P. Li, 2008), but with no clear discussion of consumer behaviour. The rest of the research on the consumer behaviour of 'guanxi' itself is more focused on the phenomena of consumer products² (Qian, Razzaque and Keng, 2007; Sun, D'Alessandro and Johnson, 2014; Quanmin Li, 2015), which does not provide insights into guanxi consumer behaviour.

To fill the research gap, we need to establish the concept of guanxi consumer behaviour, which can aid future studies in this area. To establish a theory of guanxi

¹Guanxi practice: The use of relationships to achieve organisational goals (sometimes referred to as *la guanxi*, or 'pulling guanxi').

²Guanxi consumer product: the product use to build guanxi, such as luxury, tea.

consumption, three aspects need to be considered. These issues will also be the research aim of our study. First, why does guanxi consumption exist, and what is the theoretical basis for it? Second, what exactly is guanxi consumption? Third, how should we understand guanxi consumption?

Detailed research on the phenomenon of guanxi consumer behaviour has several benefits. First, studying guanxi consumption is crucial as it can clarify the institutional perspective of consumption. Guanxi consumption is related to different consumption behaviours (see example: Ngai and Cho, 2012; Grier, Hicks and Yuan, 2016). All institutional and sociological consumption cannot independently exist without human relationships. China's human relationships have an institution called guanxi. Thus, we can study this human relationship-related consumption research at the global level, as different countries may have various institutions of human relationships (See example: Ledeneva, 1996; Horak and Taube, 2016). The study of guanxi consumption can contribute to global research on consumption from an institutional perspective. Studying guanxi consumption can advance research in status, politics, and sustainable consumption, as every institution is based on human organisation.

Second, studying guanxi consumer behaviour can lead to a better understanding of guanxi institutions. Past guanxi studies have focused on definitions of guanxi (Hwang, 1987; Ambler, 1994; Xin and Pearce, 1996; Bell, 2000; Michailova and Worm, 2003; Chen, Chen and Huang, 2013; Horak, 2014; Horak and Restel, 2016), and guanxi practices in general (Yang, 1994; Huang, 2000; Li, 2011). Guanxi practice involves many guanxi consumer behaviours, such as banquets and gift-giving behaviours (Nojonen, 2003; Yan, 1996; C. F. Yang, 2001). However, guanxi consumer behaviour as an essential angle has not been mentioned often. Studying guanxi consumer behaviour can help us understand how people build or maintain guanxi in consumption scenarios.

Third, consumer research is shifting from individual units to smaller groups like dyads, families, peer groups, and work teams. Consumers live in their own guanxi circle (X. Chen & Chen, 2004; King, 1991; Wong & Huang, 2015), and Chinese consumers usually view themselves as a 'we' identity because of the Chinese relational orientation (C. L. Wang & Mowen, 1997). This shift aims to uncover boundary-breaking insights (MacInnis et al., 2020). These views can be seen as a shift from market research towards institutional field and sociology trials (MacInnis et al., 2020; Mountford and Geiger, 2021). Thus, guanxi research can be seen as a template of institutional perspective. In marketing practice, this research could suggest how to sell their products and services based on a consumer's guanxi, which is a new area when considering consumer research. Thus, the marketer should develop a marketing strategy by viewing consumers as guanxi groups rather than individuals.

Then, more in-depth learning about guanxi consumer behaviour has future implications for eliminating corruption. Guanxi and corruption have been studied together for a long time (Millington et al., 2005; Luo, 2008; Li, 2011). Corruption is usually not acceptable for society, but guanxi have pros and cons for society, which is a double-edged sword (Warren et al., 2004): more often than not, gift-giving contributes to making guanxi susceptible to corruption (Millington, Eberhardt and Wilkinson, 2005; Li, 2011; Tajaddini and Gholipour, 2018), as the gift implies an intention of exchange (Belk, 1979). But good guanxi with others can also impact work performance (Berger et al., 2018), help business development (Warren et al., 2004) and even be complementary to formal institutions (legal and law)(Dunning & Kim, 2007). However, the corruption index has increased (Trading Economics, 2019), even though the Chinese have long eliminated gift-giving behaviour since President Xi took charge in 2012. Thus, understanding guanxi consumer behaviour and providing the right advice may induce guanxi activities to move from corruption to positive collaboration.

Our research is described in three parts. In the first part, the existence of guanxi consumer behaviour is based on the institutional perspective. Certain institutions can influence consumer behaviour (Arnould & Thompson, 2005; Zukin & Maguire, 2004). Various types of consumption have been introduced in the area, including status (Veblen, 1909; Corneo and Jeanne, 1997; Coşgel, 1997; Üstüner and Holt, 2010), political (Schmitt et al., 2022; X. Zhao & Belk, 2008), and sustainable consumption (Trudel, 2018). We discuss the institutional perspectives in the second section. We describe the guanxi institutions and specify their relevance to our consumption. Then, we argue that guanxi as a Chinese institution can be attached to the institutional consumption area. We have discussed how guanxi-based consumer behaviour contributes to the perspective of institutional consumption.

For the second section, the research utilised the integrative review method and selected papers on guanxi-related consumption. We define guanxi consumer behaviour as when people build, maintain, and use guanxi in a consumption way. As mentioned, all people have different guanxi, which may have various types of consumption. Second, we review all selected papers to categorise the scenario of guanxi consumer behaviour into fifteen guanxi. We conducted a comparative analysis with related consumption phenomena to enrich our comprehension of guanxi consumer behaviour. including gift-giving, renqing³, and mianzi⁴ consumption. Renqing consumption, mianzi consumption, and gift-giving share some similarities with guanxi consumer behaviours, but they are not identical.

³ "Renqing" is a term used to describe the sense of duty one has to repay favours and exhibit compassion in the context of business relationships (Wang,2007).

⁴ Mianzi, or face, is a concept in Chinese culture that emphasizes showing respect to others and maintaining one's own dignity (Hwang,1987).

We created a theoretical framework for guanxi consumer behaviour in the third section. The varied perspectives on guanxi contribute to a nebulous understanding of consumer behaviour influenced by guanxi. As mentioned, the four typologies of guanxi make it hard to classify guanxi consumer behaviour. We analyse how guanxi may only have a mixed type – and Chinese people tend to be mixed, with emotional and instrumental elements (C. C. Chen et al., 2013) – and how no guanxi is only instrumental or social-affective (X. Chen & Chen, 2004; C. F. Yang, 2001). Indeed, if guanxi is a mixed type, we cannot use it to make a typology of guanxi consumer behaviour. However, consumption has two paradigms, which are rational and irrational (Belk, 1995); we use this angle of consumption paradigm to observe guanxi, which may make it more straightforward to determine people's consideration of their guanxi. Finally, we use various rational and irrational consumption factors linked to guanxi as sub-components for rational and irrational guanxi consumer behaviour. In the rational consumption of guanxi, power, convenience, and price sensitivities are important considerations, which can be sub-components of rational guanxi consumer behaviour; irrational consumption contains sub-components of symbolic and hedonic value. Overall, we use three sections to clarify the barriers to guanxi consumer behaviour: theoretical background, definition, and classification.

2. The theoretical existence of guanxi consumer behaviour: guanxi as an institution can influence consumption

From an institutional perspective, institutions regulate and shape specific consumer behaviours (Coşgel, 1997), and guanxi constitutes a unique form of institution (Li et al., 2019). Therefore, the existence of guanxi consumption can be regarded as a specific manifestation of institutional effects on consumer behaviour. We will review the institutional perspective and summarise the relevant literature, deducing

guanxi consumption's existence and providing a theoretical basis for subsequent studies on guanxi consumer behaviour.

2.1. The institution shaped consumer behaviour.

In existing studies, institutions are widely recognised as critical in shaping consumer behaviour and underlying consumption mechanisms. The institution is viewed as a set of specific activities performed by specific people in specific places through time (Nicosia & Mayer, 1976), and various disciplines have incorporated this concept into their frameworks. For instance, in anthropology views of consumption, researchers bounded anthropology as a related discipline of consumer research, which contained a set of consumer culture and institution discussions within the field (MacInnis & Folkes, 2010). According to the sociology of consumption, the consumer will negotiate their way into institutional contexts over which they have limited control (Warde, 2015). Moreover, In the institutional field, consumption is seen as interconnected economic and cultural institutions centred on producing commodities for individual demand (Zukin & Maguire, 2004). These definitions all imply that the consumer interacts with certain institutions. In other words, the institution can 'regulate' one's choices for personal consumption (Coşgel, 1997). This framework provides a coherent basis for understanding how factors such as guanxi as institutional factor can impact consumer behaviour.

The institutional perspective in consumer research focuses on various areas. The figure shows the consumer from an institutional perspective, which contains two phases. Phase one explores certain consumer behaviours within specific institutions (Belk, 1995; Coşgel, 1997; Warde, 2015). In the first phase, researchers primarily identified the impact of various institutional factors on consumer behaviour, compelling consumers to adopt specific actions. For instance, consumption patterns like status consumption and sustainable consumption were examined. The discussions in this

article also occur within this phase, as it is essential to understand how consumer behaviour is shaped under specific guanxi institutions.

Regarding phase one of the institutional perspective, recent research focuses on consumption impacted by certain institutions and institutions changing. The consumption impacted by certain institutions' views contained all social practices and institutional contexts related to consumption and marketing. The sociological or institutional consumption perspective includes status, sustainable, and political consumption (Belk, 1995; Warde, 2015). Status consumption is a well-known area of research (Belk, 1995; Coşgel, 1997; Warde, 2015) that takes an institutional perspective. This concept was originally introduced by Veblen (Belk, 1995). People's consumption is easily understood as a desire to improve their social status (O'Cass and McEwen, 2004). Political consumption refers to a consumer's choice influenced by political ideology, such as people buying or not buying "American" cars (Crockett & Wallendorf, 2004). Sustainable consumption refers to choosing to consume products and services that are more environmentally friendly (Trudel, 2018). This research is adding guanxi consumer behaviour into phase one institutional perspective, which will become a new concept same as status consumption, sustainable consumption.

It is evident that consumers who pursue status modify their consumption behaviours, which is known as status consumption. For example, they tend to buy expensive luxury goods, choose spacious residences, and drive high-end cars (Belk, 1995). Veblen first observed this phenomenon in his 1899 work and viewed it as an expression of status culture. This culture constrains the consumption behaviour of the masses and leads them to make similar choices. Similarly, sustainable consumption shows a comparable constraining effect, as consumers adjust their behaviour based on sustainable development ideas (Trudel, 2018). In addition, political consumption also exhibits similar characteristics. This constraint reflects the role of institutions in guiding

behaviour (Coşgel, 1997). The domain covers the characteristics of institutions that impact consumer behaviour. The theory background of guanxi consumer behaviour is the same as the above consumptions, based on an institutional perspective.

The phase two investigates different organisations as actors and institutionalises the market field (Scaraboto and Fischer, 2013; Dolbec and Fischer, 2015; Kjeldgaard et al., 2017). In the second phase, consumers create new consumption institutions while engaging in consumption activities. These emergent consumption institutions differ from the broader societal institutions of the former phase, reflecting changes primarily within consumer circles. This phase focuses more on consumer culture theory (Arnould & Thompson, 2005; Nascimento Silva et al., 2019) or the application of institutional theory to consumption to reveal new consumption institutions (Ben Slimane et al., 2019; Scaraboto & Fischer, 2013). Consumption in this phase does not necessarily adhere to a specific institutional framework like in the first phase; it can encompass a wider range of non-institutional consumption, such as fashion consumption, which is not inherently institutional.

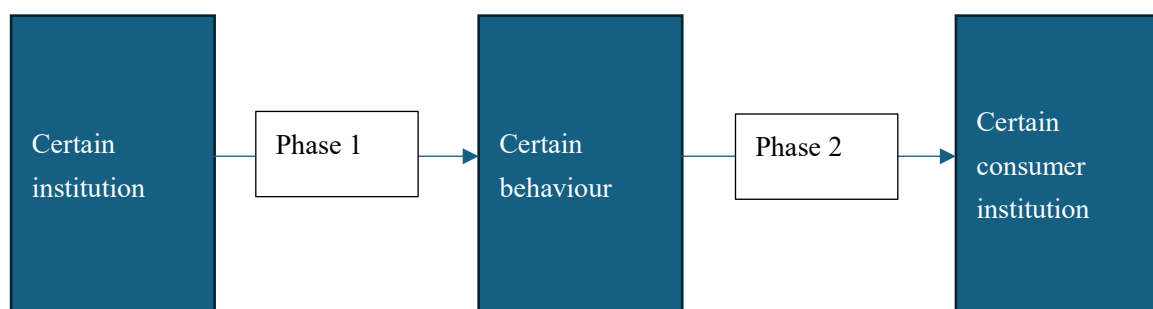


Figure 2.1 The phase of institution perspective

Although the focus of this research is not to involve deeply into the new institution developed from guanxi consumer activity, in the third and fourth articles, we

will attempt to explore issues such as institutional boundaries within guanxi consumption by integrating institutional theory.

2.2. The definition of guanxi institution

Our research focuses on the institution of guanxi. Therefore, defining guanxi could help us to understand complete picture of guanxi consumption. Guanxi can be defined separately as *guan* and *xi*; *guan* means gate or pass: people must walk through or pass the door (*guan*) and then make a connection (*xi*) (Ambler, 1994; Chen, 1995; Davies *et al.*, 1995). Guanxi is a particular type of solid tie among family members, close kin, and long-term friends that is independent of a network structure, so guanxi can serve as a cocoon to protect these network members from a hostile external context (Burt & Oppen, 2017; C. Zhao & Burt, 2018). Guanxi definitions, as a special human relationship culture in the Chinese context, have been studied in different areas, and different areas have different perspective meanings. Most guanxi definitions can be framed as broad and narrow fields (Chang et al., 2014). The broad definition is to find the simplest way to define guanxi (Chang et al., 2014) and cover most typologies of guanxi fields (C. C. Chen et al., 2013). For example, family guanxi, business guanxi and instrumental guanxi all belong to broad meanings of guanxi. The narrow definition of guanxi primarily focuses on subtypes of guanxi (Chang et al., 2014). For example, Guanxi represents relationship marketing and reciprocal obligations (C. Zhao & Burt, 2018). We intend to choose the broadest meanings because our research aimed to find consumption patterns across all types of guanxi.

We adopt the definition provided by Li et al. (2019) that guanxi is an informal norm regulating and facilitating privileged access to emotional or instrumental resources at the dyadic or network level. The definition we selected contains specific characteristics that we need to discuss for guanxi consumer behaviours. First, the

typology of guanxi has been mentioned in the definition. Guanxi has sentimental and instrumental aspects (Chang et al., 2014; C. C. Chen et al., 2013; Fan, 2002). Sentimental guanxi is related to love-oriented relationships, such as family members. Instrumental guanxi is more related to exchange-based relationships. People within guanxi consider the benefits and rewards (C. C. Chen et al., 2013). Other typologies would be family & non-family, personal/informal & impersonal/contractual, and mixed (C. C. Chen et al., 2013). Kinship, family members, and family-like relationships can explain the nature of family guanxi. Sometimes, a close friend may also be considered a family-like guanxi (C. C. Chen et al., 2013). People who are not part of or close to the family are considered as non-family guanxi. The personal/informal refers to personal relationships that attach attributes of the social-affective, obligation and informality (Ho, 1999; C. F. Yang, 1999). For example, a non-business friend is a typical personal/informal guanxi. Compared to informal guanxi, impersonal/contractual refers to impersonality, formality and legality. For example, a business corporation is typically a non-personal/formal guanxi. The mixed type of guanxi is also accepted by various research (Hwang, 1987; Fan, 2002; Chen, Chen and Huang, 2013). Chinese guanxi tends to be a mixture of family and non-family, personal and impersonal, and social affective and instrumental characteristics (C. C. Chen et al., 2013). These typologies reflect a complex system of guanxi. This complex system of guanxi set up barriers to our consumption research. Therefore, our research chose a consumption typology to classify our guanxi consumer behaviour. More discussion is represented in the later section.

Second, guanxi have different structures in terms of dyadic and social networks (Li et al., 2019). The dyadic system refers to the relationship between two parties (C. C. Chen et al., 2013). The studies of dyadic guanxi focus on the elements of familiarity, intimacy, trust, sentiment, and obligations (Bian, 1997; Burt & Burzynska, 2017; Burt & Oppen, 2017). On the other hand, social network structure

studied multiple dyadic ties embedded in an egocentric network (J. Der Luo et al., 2016; J. Der Luo & Yeh, 2012). As our research is looking for the general meanings of *guanxi*, this paper will not scope the *guanxi* consumer within a dyadic or social network structure. *Guanxi* consumption can happen between two parties, such as going to the cinema with a friend and through social networking, such as banqueting. Both characteristics conduct that the research devotes to finding consumption under the general meaning of *guanxi*. It can cross all typologies and all dimensions of *guanxi*.

Guanxi definition can enable us to scope out the precondition of *guanxi* consumption. However, *guanxi* consumption has yet to be mentioned formally in *guanxi* research. *Guanxi* has been studied in at least five areas in past studies. The first is the *guanxi* context – the individual levels and domains of *guanxi* and the measurement of the *guanxi* (Hwang, 1987; Tsui and Farh, 1997; Fan, 2002; Chen and Chen, 2004; Chen and Peng, 2008; Chen *et al.*, 2009). There is also the organisational level of *guanxi* in another dimension, such as firm-to-firm, firm-to-government, and the financial outcome of the *guanxi* (Xin and Pearce, 1996; Tsang, 1998; Peng and Luo, 2000; Park and Luo, 2001; Luo, 2003; Luo, Huang and Wang, 2012). The moral and social dilemmas of *guanxi* affect supervision and the subordinate *guanxi* (Dunfee and Warren, 2001; Chen and Chen, 2009) as well as the ethical conflict between traditional and modern ethics; bribery is part of the *guanxi* practice (Su and Littlefield, 2001; Tan and Snell, 2002; Ho and Redfern, 2010). The fourth area uses *guanxi* as a marketing tool to connect users and increase sales (Kou *et al.*, 2018). Nevertheless, only some surface studies have examined *guanxi* consumer behaviour (Qian, Razzaque and Keng, 2007; Sun, D'Alessandro and Johnson, 2014), which could be one future research direction.

2.3. The institution of guanxi can shape consumption behaviour.

Scott (1991) classifies institutions as regulatory, normative, and socio-cognitive, another expression of legitimacy. In the dualistic view, normative and socio-cognitive forces are both forms of informal institutions (North, 1990; Cui and Jiang, 2012), and the regulatory of views can be seen as the formal perspective of the institution. Guanxi is a typical culture in China (Fan, 2002; Li et al., 2019). Culture is one of the crucial characteristics of informal institutions (Pekkanen, 2021; Williamson, 2000). Therefore, Guanxi is an institution and social practice that shapes consumption behaviour. Institutions are traditionally defined as rules and procedures shaping social interaction by limiting and enabling the actions and behaviour of subjects and individuals (North, 1990). They can impact personal behaviour through three elements: rules, norms, and values, which means that consumer behaviour is based not only on ‘economic person assumption’ but on particular institutions. Coşgel (1997) points out that institutions may shape consumer preference and action, and that ‘institutions are settled habits of thought common to the generality of men (Veblen, 1909, p626)’, while Veblen (1899) describes them as ‘associated with people interacting in groups or large collectivists. It is hard to explain consumer behaviour without knowing the institutional background (Dolfsma, 2002). As the definition of institutions, guanxi can be one institution that creates consumer behaviour. This is the logical and theoretical basis of guanxi consumer behaviour. In other words, the establishment of guanxi consumption stands.

Our aim is to explore the impact of guanxi as an institution on consumer behaviour, which we refer to as guanxi consumer behaviour. This is also our central theoretical argument, for instance, the previous discussions on status consumption (Corneo and Jeanne, 1997; Üstüner and Holt, 2010), political consumption (Zhao and

Belk, 2008; Schmitt, Brakus and Biraglia, 2022), etc. As the origin of this field, this article needs to explore the theoretical existence of guanxi consumer behaviour, definition, and framework that enables scholars to understand this aspect of consumption comprehensively. Besides making logical arguments on guanxi consumer behaviour based on institutional theory, some practical papers informally point out consumer behaviour (For instance, Sun, D'Alessandro, and Johnson (2014)). The section on the definition of guanxi consumer behaviour will detail existing research that addresses this topic.

3. Guanxi consumer behaviour definition

Based on theoretical research, we understand that certain institutions can influence consumer behaviour and put forward that guanxi will affect consumer behaviour. The guanxi consumer behaviour can be primarily defined as consumption processing under the institution of guanxi. However, it is crucial to analyse the existence of guanxi consumption critically by examining the evidence in the literature. Once we establish that guanxi consumption exists, we need to define what it entails and identify the types of consumption associated with different guanxi relationships. What are the various forms of guanxi consumption? And what framework can be selected to analyse guanxi consumption? These are important questions that require further investigation. The integrative review method will be applied to this literature review.

3.1. The paper selection for the literature review

Gaining a better understanding of consumer behaviour regarding guanxi requires an integrative review approach. This approach helps elevate our perspective beyond previously reviewed (Elsbach and van Knippenberg, 2020). The integrative review approach suggests a concept framework can be supported and applied to

generate new theories (Torraco, 2005). However, due to the novelty of guanxi consumption, there is limited research directly addressing it. We need to search across different forms of resources, such as books, which would be contained (Snyder, 2019). The additional fields also had the phenomenon of guanxi consumer behaviour, including the renqing, mianzi and gift giving. This approach can also be applied to these fields to synthesise the concept of guanxi consumption (Elsbach and van Knippenberg, 2020).

To further understand guanxi consumer behaviour, we need to know what kind of consumption and what type of guanxi may be included in guanxi consumer behaviour. However, this is regarded as a new area, and there is little research on it: of the thousands of guanxi articles uploaded online, those relating to consumption are few. After searching for an overview of guanxi-related articles on various journal databases, it became clear that too many papers were linked with 'guanxi'. As the review aimed to identify the guanxi consumer behaviour in China, the keywords 'guanxi' and 'consumption' were applied, and three relevant papers were found. Then, we eased our search scope, specific keywords would be chosen for the study: Chinese guanxi consumption and consumer behaviour, renqing and consumption, mianzi and consumption, and gift giving in the Chinese context. *Mianzi* consumption is a Chinese version of status consumption, often related to luxury consumption (Guo and Lin, 2015).

In the term guanxi consumption and consumer behaviour, we mainly focus on the keywords guanxi, consumption, and consumer behaviour. The standard paper selection must contain the sort of consumption and consumer behaviour form under the different guanxi. For example, the supervisor invited the subordinate to come home for the banquet. These kinds of descriptions can be included in our paper selection. The exclusion criteria for the paper pertain to keywords that are mentioned but are not relevant to guanxi consumption and consumer behaviour. In addition, we exclude all

the relationship marketing papers, which have the same criteria but different meanings. This standard is less restrictive because of the lack of these studies.

Gift-giving is an important factor in our paper selection process. The concept of gift-giving involves part of guanxi consumer behaviour in China. This practice was first introduced to academia by Belk and Coon in 1993. Then, the intensive studies began to spread from the West to the world (Givi et al., 2022). Since our research centres on Chinese guanxi consumer behaviour, to achieve this, we have selected a paper that embodies these characteristics: guanxi, gift-giving and China.

For the renqing and mianzi are usually linked to the guanxi (Hwang, 1987; Barbalet, 2018). We also include these terms for our study. The selection of the paper should consider keywords like consumption and consumer behaviour, which must fall under the categories of renqing and mianzi. Concepts of renqing and mianzi, which are surface-level, may be withdrawn from our selection process.

Fifty-three out of thousands of related papers from the different keyword paper selections were chosen for our study. Encompassing various types of guanxi consumer behaviour and other consumption forms. Two book resources are contained in our literature (see Yang (1994) and Nojonen (2003)). The study's time frame focused on the relevant papers from 1991–2023. The table shows different citations under different keywords (see Table 2.1).

Keywords	Number paper	Citation
Guanxi consumption and consumer behaviour	24	(Riley, 1994; Yang, 1994; Huang, 2000; Law et al., 2000; Joy, 2001; Ying, 2003; Luo, 2008; Hung, Chan and Tse, 2011; Li, 2011; Ding and Hovell, 2012; Hu et al., 2012; Ngai and Cho, 2012; Hong, Zhu and White, 2013; Sun, D'Alessandro and Johnson, 2014; Yang and Paladino, 2015; Zhang, 2017; Fastoso, Bartikowski and Wang, 2018; You, 2019; Møller, 2022; Wu et al., 2023)
Gift giving in the Chinese context.	20	(Steidlmeier, 1999; Chan, Denton and Tsang, 2003; Nojonen, 2003; Millington, Eberhardt and Wilkinson, 2005; Othman, Sim and Teng, 2005; Qian, Razzaque and Keng, 2007; Liu et al., 2010; Feng, Chang and Holt, 2011; Chen, 2014; Quanmin Li, 2015; Tsetsura, 2015; Zhou et al., 2015; Erie, 2016; O'shannassy, 2017; Guan et al., 2020; Hao and Hai-tao, 2020; Li, 2020; Chiu, Wang and Ye, 2022; Li, Sun and Taris, 2022; Zhang, 2022)
Mianzi and consumption	5	(Masson, Sánchez and Celhay, 2017; Filieri et al., 2019; Fu et al., 2021; Wang et al., 2022; Lv et al., 2023)
Renqing and consumption	3	(Zhou et al., 2015; Tong, Toppinen and Wang, 2021; Tang, 2023)

Table 2.1 The paper selection from different keywords

We typically summarise these studies as focusing on “guanxi in consumer behaviour”. Guanxi is considered one of several factors—such as renqing, mianzi, and materialism—that can influence consumer decision-making. Therefore, it is not regarded as a standalone category but rather as a contextual factor within broader models of consumer behaviour. In contrast, our study treats guanxi consumer behaviour as a distinct phenomenon. In this perspective, interpersonal relationships (guanxi) serve as the main driver of consumption decisions. Rather than considering guanxi as a secondary factor, we focus on how these personal ties directly shape consumers’ choices, motivations, and actions. This approach allows us to explore the internal mechanisms of guanxi consumer behaviour, including the specific processes and conditions through which guanxi exerts its influence.

3.2. The guanxi consumer behaviour literature

After reviewing all the articles on “guanxi in consumer behaviour”, we synthesised them into three research focuses (see Table 2.2). Other or related consumption and guanxi mean these papers focus on different types of consumer behaviour and consumption which mentioned guanxi. The terms consumption and guanxi usually contain phenomena that link the consumer product and services and all kinds of guanxi, and part discusses the correlation between some consumption and guanxi. The dynamics of guanxi for specific entities reveal some mechanism of guanxi operations. Some consumption phenomena will occur during these guanxi operations. These three parts of the paper selection have shared the same keywords, yet they have different emphases.

The terms other or related consumption and guanxi contained different consumption areas. The children's and young consumers' behaviour patterns have been studied in the research focus. These papers focus on illustrating how urban children are addicted to conspicuous luxury purchases (Ying, 2003; Ngai and Cho, 2012; Fastoso, Bartikowski and Wang, 2018). They also discussed the reason that parents are more supportive of their children after the one-child policy and economic growth. This phenomenon will be counted as part of guanxi consumer behaviour, in which children are financially dependent on their parents. Luxury, mianzi, status or conspicuous consumption are other main schools within this research focus (Chen and Kim, 2013; Grier, Hicks and Yuan, 2016; Filieri et al., 2019; Fu et al., 2021; Lv et al., 2023). These consumption patterns fundamentally rely on guanxi; without it, displaying one's status becomes impossible. In marriage marketing, matching is key to represent guanxi or guanxi seeking, where conspicuous consumption illustrates importance. Thus, these articles all mention guanxi.

Specific consumption and guanxi research focus mainly discussed some products and services under guanxi institutions. Jade, tea, cigarettes, alcohol, and banquet are the critical terms within the guanxi consumer behaviour (Yang, 1994; Nojonen, 2003; Ding and Hovell, 2012; Hu et al., 2012; Quanmin Li, 2015; Yang and Paladino, 2015; Møller, 2022). These papers reveal the consumption phenomenon within guanxi. For instance, cigarette sharing is a way to start one guanxi (Hu et al., 2012), and wine will help guanxi dyads become deeper (Yang, 1994; Nojonen, 2003). And some other phenomenology research reveals the consumption on different occasions in different Chinese areas (Joy, 2001; Chan, Denton and Tsang, 2003). The guanxi consumer theory discussion refers to the relationship between consumption links to guanxi, such as luxury consumption (Sun, D'Alessandro and Johnson, 2014), and gift-giving (Qian, Razzaque and Keng, 2007) is linked to the value of guanxi.

The term "guanxi dynamics" pertains to the guanxi-building activities carried out by specific entities (e.g. supervision-subordinate), which involves consumer behaviour. Bribery is one key element within this research focus (Steidlmeier, 1999; Millington, Eberhardt and Wilkinson, 2005; Li, 2011; Tsetsura, 2015; O'shannassy, 2017). For instance, to illustrate how bribery has been performed (Li, 2011). Different forms of consumer behaviour under business guanxi have been identified, including Mahjong and shopping cards. The rest of it mostly put forward different logic of guanxi operation and mentioned some of the consumption patterns (Riley, 1994; Huang, 2000; Law et al., 2000; Luo, 2008; Hung, Chan and Tse, 2011; Hong, Zhu and White, 2013; Erie, 2016). The house is one of the most important things for marriage, and it is also one kind of guanxi consumption (Riley, 1994). Family feasts and occasional gifts happen within supervisor-subordinate guanxi (Law et al., 2000).

Existing research documents can find the definition of guanxi consumption. We can see that guanxi consumption occurred when guanxi started when someone shared

their cigarettes (Hu et al., 2012), or when someone wanted to have dinner with you (Yang, 1994). Guanxi consumption occurs when individuals maintain their guanxi by inviting junior colleagues to dinner at home (Law et al., 2000), or playing Mah-jong⁵ with a supervisor (Li, 2011). Also can happen if someone wants to use their guanxi in the future, such as performing bribery (Li, 2011). Thus, we can put forward that the consumer behaviour associated with initiating, building, and using guanxi, can be seen as guanxi consumption.

Research focus	Citation
Other or Related Consumption and Guanxi	(Ying, 2003; Feng, Chang and Holt, 2011; Ngai and Cho, 2012; Chen and Kim, 2013; Walley and Li, 2015; Grier, Hicks and Yuan, 2016; Zhang, 2017, 2022; Fastoso, Bartikowski and Wang, 2018; Jiang and Shan, 2018; Filieri et al., 2019; You, 2019; Li, 2020; Fu et al., 2021; Lv et al., 2023)
Specific consumption and Guanxi: Phenomena and Theoretical Discussion	(Yang, 1994; Kipnis, 1996; Joy, 2001; Chan, Denton and Tsang, 2003; Nojonen, 2003; Qian, Razzaque and Keng, 2007; Ding and Hovell, 2012; Hu et al., 2012; Sun, D'Alessandro and Johnson, 2014; Quanmin Li, 2015; Yang and Paladino, 2015; Masson, Sánchez and Celhay, 2017; Hao and Hai-tao, 2020; Tong, Toppinen and Wang, 2021; Møller, 2022; Wang et al., 2022)
The Dynamics of guanxi for Specific Entities	(Riley, 1994; Steidlmeier, 1999; Huang, 2000; Law et al., 2000; Millington, Eberhardt and Wilkinson, 2005; Othman, Sim and Teng, 2005; Luo, 2008; Liu et al., 2010; Li, 2011; Hong, Zhu and White, 2013; Chen, 2014; Tsetsura, 2015; Zhou et al., 2015; Erie, 2016; O'shannassy, 2017; Guan et al., 2020; Chiu, Wang and Ye, 2022; Li, Sun and Taris, 2022; Zhang, 2022; Tang, 2023; Wu et al., 2023)

Table 2.2 Different research focus of paper selections

From the theoretical background section, our guanxi consumption will accept the dyadic form and social circle. The following section will first analyse the kind of consumer behaviour within the kind of guanxi.

⁵ Mah-jong is a tile-based game that originated in 19th-century China and has since spread worldwide.

3.3. The scenario of guanxi consumer behaviour

Guanxi base types	Articles
1. Friend relationship	(Beatty, Kahle and Homer, 1991; Kipnis, 1996; Joy, 2001; Hu et al., 2012; Erie, 2016; Jiang and Shan, 2018; Hao and Hai-tao, 2020)
2. Wife with husband	(Riley, 1994; Kipnis, 1996; Walley and Li, 2015; Grier, Hicks and Yuan, 2016)
3. Relatives	(Kipnis, 1996; Quanmin Li, 2015; Erie, 2016; Wu et al., 2023)
4. Fellow villagers	(Kipnis, 1996; Erie, 2016; Chiu, Wang and Ye, 2022)
5. Supervisor with subordinate	(Law et al., 2000; Li, Sun and Taris, 2022)
6. General business guanxi	(Steidlmeier, 1999; Huang, 2000; Nojonen, 2003; Qian, Razzaque and Keng, 2007; Luo, 2008; Li, 2011; Ding and Hovell, 2012; Sun, D'Alessandro and Johnson, 2014; Yang and Paladino, 2015; O'shannassy, 2017)
7. Romantic guanxi	(Joy, 2001)
8. Parents with children	(Riley, 1994; Kipnis, 1996; Ying, 2003; Ngai and Cho, 2012; Walley and Li, 2015; Fastoso, Bartikowski and Wang, 2018)
9 Poxi guanxi (mother-in-law with daughter-in-law)	(Kipnis, 1996)
10. Supplier with buyer	(Millington, Eberhardt and Wilkinson, 2005; Luo, 2008; Zhou et al., 2015; Tang, 2023)
11. Colleague guanxi	(Qian, Razzaque and Keng, 2007; Hu et al., 2012; Hong, Zhu and White, 2013)
12. Political guanxi	(Li, 2011)
13. Teacher and students	(Jiang and Shan, 2018; Li, Sun and Taris, 2022)
14. Fans with their celebrity	(Hung, Chan and Tse, 2011; Walley and Li, 2015)
15. Social network	(Chen, 2014; Hao and Hai-tao, 2020)
16. All kinds of guanxi dyad	(Chan and McNeal, 2003; Chen and Kim, 2013)

Table 2.3 The guanxi types within guanxi consumer behaviour

As shown in Table 2.3, fifteen guanxi types were detected within guanxi consumer behaviour aside from the sixteenth type ('all kinds of guanxi'). The selected guanxi types were friend relationships, parents with their marriage children (poxi guanxi: mother-in-law with daughter-in-law), wife and husband, relatives (uncle, brotherhood), fellow villagers (people from same place), supervisor with subordinate, business guanxi, parents with children, supplier with buyer, colleague guanxi, political guanxi (people who have a connection with the government), teacher and student, fans

with their celebrity, and social networking. The *guanxi* consumer behaviour can happen in all types of *guanxi*. It has been confirmed that *guanxi* consumer behaviour can occur in the form of dyads and social networks.

Table 2.4 Guanxi Consumer Behaviour Context		
Product	Luxury; Clothing; Wine; Car; House; Electronics; Cigarettes; Supplements; Toy; Computer; Tea; Jade; Zongzi; Moon cake.	(Kipnis, 1996; Ying, 2003; Hung, Chan and Tse, 2011; Ding and Hovell, 2012; Ngai and Cho, 2012; Chen and Kim, 2013; Sun, D'Alessandro and Johnson, 2014; Quanmin Li, 2015; Walley and Li, 2015; Yang and Paladino, 2015; Grier, Hicks and Yuan, 2016; Jiang and Shan, 2018; Møller, 2022)
Service	Education; Banquet; Sport; Cinema; Golf-playing; Mah-jong; Karaoke; Party; Travel; Karaoke; Memorable Boat.	(Kipnis, 1996; Joy, 2001; Millington, Eberhardt and Wilkinson, 2005; Qian, Razzaque and Keng, 2007; Luo, 2008; Li, 2011; Fu et al., 2021)

Table 2.4 is a context of *guanxi* consumer behaviour; the literature demonstrates various types of consumption, including product use and service. Therefore, this evidence raised the importance of the context that the Chinese consumer lifestyle is under *guanxi*. *Guanxi* consumption surrounds us and exists in different consumption scenarios.

The available evidence suggests that institutions of *guanxi* can influence consumer behaviour. The cultural value of legitimacy can impact consumer behaviour (Arnould and Thompson, 2005; Scaraboto and Fischer, 2013). Consumers' choice of product and service is not simply about independent items but may be embedded in lifestyle and cultural symbols (Belk, 1995). The *guanxi* is also an exceptional Chinese lifestyle and cultural field (Luo, Huang and Wang, 2012). The *guanxi* consumer behaviour is interwoven mainly in our daily lives, as the evidence shows. Accordingly,

most of us embody fifteen *guanxi* types, and most have shown those purchase behaviours before.

From above, the definition of *guanxi* consumer behaviour is as follows: Consumers interact with their *guanxi* dyads and social networks by purchasing products and services. These interactions can occur when building, maintaining, and utilizing those networks. Collectively, these actions are referred to as *guanxi* consumer behaviour. Table 2. 3 proves our definition of *guanxi*, which contains the *guanxi* dyads and social networks, and all evidence shows every kind of *guanxi* can contain consumer behaviour. The consumption type that a consumer exhibits during *guanxi* practice includes the consumption of both products and services.

3.4. The differentiation of all other consumption related to human relationships.

We have already demonstrated the critical definition of *guanxi* consumption and consumer behaviour scenario or *guanxi* practice. Before further classifying consumption, we must establish boundaries for *guanxi* consumer behaviour. In the documents selected, some consumption seems related to *guanxi* consumer behaviour, such as *mianzi* consumption, *renqing* consumption, and gift-giving. Understanding the differences between consumption behaviours is vital in delineating the boundaries of *guanxi* consumer behaviour. Table 2.5 shows the differences between consumptions. The *mianzi* consumption is a Chinese version of status consumption (Lu, Lin and Wang, 2009). *Renqing* builds *guanxi* by creating a sense of obligation and indebtedness among the relationship partners (Shi et al., 2011). The consumption during *renqing* practice is called *renqing* consumption. A gift is defined here as a good or service (including the giver's time, activities and ideas) voluntarily provided to another person or group (Belk, 1979) through ritual presentation. The word 'gift' can be translated as *liwu* in Chinese,

with *wu* meaning material and *li* meaning a particular ritual (Yan, 1996). Thus, the material containing a ritual symbol can be seen as a gift in China.

Mianzi consumption VS. guanxi consumer behaviour

Mianzi is an important concept because of its pervasive influence on interpersonal relations among the Chinese (Lu, Lin and Wang, 2009). The amount of mianzi reflects people's social status. Mianzi consumption is positively related to conspicuous consumption (Wang and Chen, 2004): it often occurs in luxury buying (Luo, 2009; Monkhouse, Barnes and Stephan, 2012; Lin, Xi and Lueptow, 2013; Sun, D'Alessandro and Johnson, 2014). From the definition, guanxi consumer behaviour focuses on building, improving and maintaining guanxi, which is more about considering others. But mianzi consumption is vastly different because it is more about considering self-status.

Mianzi consumption also involves the behaviour of buying products for others. One method to save face is to maintain proper social relationships; sending high-priced gifts can allow people to save face (Chan, Denton and Tsang, 2003). However, guanxi consumer behaviour involves sharing consumption with others. For example, when two friends go to a restaurant and split the bill, their mianzi is not enhanced by this activity.

The differences between guanxi consumer behaviour and mianzi consumption in consumption primary scenario are apparent. The mianzi reflects social status, and people tend to buy more expensive products (Chan, Denton and Tsang, 2003; Lin, Xi and Lueptow, 2013; Guo and Lin, 2015); however, guanxi consumer behaviour contains products and services from a different price range, which see from the section of the scenario of guanxi consumer behaviour (See Table 2.5).

Renqing consumption VS. guanxi consumer behaviour

People use renqing to build guanxi and need to consider favour exchange (Chan, Denton and Tsang, 2003; Xiao-ping Chen and Chen, 2004; Qian, Razzaque and Keng, 2007). It includes ‘occasional exchanges of gifts and visits and offering help and showing sympathy to other members within a social network’ (Wong and Leung, 2001).

The core value of renqing can be seen as an account book: the Chinese say, ‘I owe him a renqing’, which means the person accepts the fact that it is difficult to reject a request for help or fail to repay a debt of renqing (Yang, 1994). In the consumption scenario, renqing consumption is an exchange of gifts for events, such as people attending others’ marriages, birthdays, and funerals (Hwang, 1987; Yang, 1994; Xiao-ping Chen and Chen, 2004). The red packet, in which people put money into red envelopes, can be seen as building renqing (Joy, 2001; Yuan et al., 2017).

However, renqing consumption differs from guanxi consumer behaviour, just as the definitions of renqing and guanxi differ. Renqing can be one of the ways to build guanxi, but guanxi does not always contain renqing. It often occurs in the business tie as debt. People often have *qinqing* in family guanxi, which is the closer emotional reaction to blood ties (Fan, 2002; Shi et al., 2011). In friend guanxi, people use *ganging* (emotion toward a friend) to describe the quality of guanxi, and renqing often happens with acquaintances and strange people (Fan, 2002; Tang, 2023).

The scope of renqing consumption and guanxi consumer behaviour are different. For example, close friends who do not have a blood tie can be seen as family-like (Joy, 2001; Chen, Chen and Huang, 2013). In this case, it is hard to count the debt of renqing in a family-like guanxi. In other words, renqing may not apply to all the guanxi. In addition, people tend to turn their guanxi more closely. People with a closer guanxi may

shift from the renqing mode to the ganqing mode. Even in business relationships, Chinese guanxi tends to be a mixture of family and non-family (Chen, Chen and Huang, 2013). Therefore, the renqing consumption may gradually lose its position when someone's guanxi gets closer. An additional difference between guanxi and renqing can be attributed to differences in thinking: one phenomenon reveals that men tend to build guanxi, and women tend to develop renqing (Yang, 1994). Thus, guanxi and renqing consumption may occur in different groups.

Finally, from the table, guanxi consumer behaviour scenarios are quite varied, while most research on renqing consumption focuses on festivals and events (Yang, 1994; Joy, 2001; Liu, 2008; Chen, Chen and Huang, 2013). Renqing consumption must involve two or more people (Kipnis, 1996; Liu, 2008). Guanxi contains wider usage scenario.

In renqing consumption, a consumer may not have to buy something for their use; however, purchasing something for their use may occur when guanxi-seeking guanxi consumer behaviour, such as buying events ticket to meet someone important. Although this type of consumption was not present in our scenario, it is not an abnormal scenario for guanxi consumer behaviour.

Gift-giving behaviour VS. Guanxi consumer behaviour

Compared to gift-giving behaviour, guanxi consumer behaviour aims to clarify the Chinese guanxi culture, which is rooted in Confucianism and Taoism (King, 1991; Ambler, 1994; Chen and Chen, 2004); therefore, guanxi consumer behaviour originated in China. Gift-giving has been widely researched in different cultures in recent times; however, gift-giving research developed with Western researchers (Malinowski, 1922; Mauss, 1925) and has focused on Western human relationships (Belk, 1979), which are different from guanxi in China.

The Consumption forms between guanxi consumer behaviour and gift-giving are different. Guanxi consumer behaviour is a general concept: one buys for another, shares with another, and buys to own. Many examples of things one buys for another – such as gifts, food, karaoke sessions, and education support – can be found in the context of guanxi consumer behaviour (Table 2.4.). Guanxi consumption also contains sharing (split payment) behaviour. The examples of a couple jointly purchasing a house or car, vividly illustrate the dynamics of communal consumption and interpersonal sharing. Travel expenses for meeting somebody can be an example of one's own consumption but contain the purpose of guanxi. Gift-giving has the same consumption forms of buying something for another and buying something to own. However, compared to guanxi consumer behaviour, both consumption forms of gift-giving contain a different purpose. Giving a gift to another may partly include a purpose of guanxi, while self-consuming gift-giving is named self-gift, having no relationship with the intention of guanxi. In addition, there is no evidence to support gift-giving containing a consumption form of share (split payment).

The typology of gift-giving is different to that of guanxi consumer behaviour; it is distinguished as purposive of human relationships in exchange and love (Belk and Coon, 1993), and could be assimilated to the instrumental/social-affective classification in guanxi. However, as mentioned in the later section (**The dilemma of typology**), the typology of guanxi consumer behaviour is not the same as in a Western relationship, which contains Taoism of holistic dualists (Chen, Chen and Huang, 2013) and cannot be applied. Guanxi consumer behaviour may not have the same typology as gift giving. Therefore, guanxi's rational and irrational consumption is used to avoid the chaos of guanxi typology. We will discuss the typology of guanxi consumer behaviour in a later section.

In the previous institutional discussion, guanxi consumer behaviour is shared by different institutions. The institution of gift and guanxi are different, gifts have gift norms (Givi et al., 2022) and guanxi has guanxi norms (Dunfee and Warren, 2001; Chen, Chen and Huang, 2013). The bibliometric analysis shows that gifts will mismatch in giver-recipient (Gupta et al., 2023). The research shows the gift mismatch in gift norms such as jewellery on Valentine's Day. And too much thinking about gifts-based relationships (Givi et al., 2022). In our perspective, too much thought in a relationship means the giver does not understand guanxi norms in China. Li (2008) shows a dark-side case of how to bribe an officer in China. Neither the party offering the bribe nor the party receiving it has explicitly stated any terms of exchange, yet the benefits of the exchange have already been conveyed. This case shows this behaviour is under the typical Chinese institution of guanxi. This requires a complete understanding of guanxi and requirements from the recipient. In addition, gift-giving has been distinguished from bribery. Researchers point out that bribery has a higher utility or instrumental perspective (Li, Sun and Taris, 2022). We can identify that the shadow of guanxi consumption is cast behind both behaviours. Using our guanxi framework might be a better way to distinguish all these concepts.

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Under the difference of institutions, *guanxi* and gift-giving contain different symbols. Gifts have an embedded meaning of ritual in Chinese translation and are usually part of the realisation of interpersonal relationships (Yan, 1996); however, an observer cannot objectively say whether an item is a gift for the consumer. In consumer culture research, gift-giving falls under the symbolism approach (Belk, 1979, 1988, 1995; Arnould and Thompson, 2005). From a philosophical perspective, the symbolism is rooted in the constructionism of epistemology (Crotty, 1998). In other words, the consumer subjectively defines whether one item is a gift. Otherwise, no other types of consumption can exist; for example, if any material that contains a ritual characteristic can be objectively defined as a gift, we cannot distinguish self-gift-giving and the behaviour of self-consumption (status consumption, conspicuous consumption). Hence, a definition of gift-giving cannot fit all the possible consumption typologies in *guanxi*.

In addition, Gift-giving does not often contain the purpose of *guanxi*. Gift-giving has elements of mutual benefit. After the ‘mutual benefit’, the *guanxi* may not go through. For example, I need to solve some problems through the middleman, and the middleman did not want me to show up in front of his *guanxi* because this would cause the middleman to lose value. And after solving the problem, the middleman needs me to buy gifts to thank his *guanxi*. In this case, the reciprocity has gone through purely,

but guanxi has not. In the research evidence, gift-giving behaviour appears to have a weak connection with the supplier-buyer guanxi network connected to UK companies in the People's Republic of China (Millington et al., 2005). The gift-giving is non-significantly related to guanxi (Chen and Kim, 2013), and has a weaker significance level when compared to other cultural values, such as renqing, reciprocity and yuan (Qian et al., 2007). Renqing, face, favour, and bao are all used in gift-giving (Hwang, 1987; Yan, 1996; Qian et al., 2007).

Guanxi consumer behaviour does not always include gift-giving. Gift-giving considers more objects of the giver and recipient (Hungara and Nobre, 2021; Chiu, Wang and Ye, 2022), which is a dyad relationship. However, according to our definition, guanxi contains dyads and social networks; some papers even show six dimensions of guanxi (Chang et al., 2014). The gift may not always apply to social networks because it will start considering consumer behaviour within small groups of people, such as group friends and family. Indeed, we can imagine someone giving gifts to different people or social circles. However, guanxi consumption predominantly views consumers through the guanxi dynamics, encompassing both joint consumption scenarios and the interactions between givers and receivers (See Tables 2.3 and 2.5). In contrast, the act of gift-giving is characterised by a unidirectional relationship, solely involving the giver and the recipient, without the broader context of mutual consumption. Thus, gift-giving is not a suitable angle of consumption from which to observe guanxi in the Chinese context.

Dimensions of Comparison	Guanxi Consumer Behaviour	Renqing Consumption	Mianzi (Face) Consumption	Gift-Giving Behaviour
Definition (<i>Key Conceptualization</i>)	Consumption behaviours aim to build, maintain, and enhance guanxi (Chen & Chen, 2004), involving mutual trust, reciprocal obligations, and affective ties.	A form of consumption based on the notion of <i>renqing</i> (human sentiments and obligations), involving gift exchanges or assistance to uphold social ties (Yang, 1994).	Consumption behaviours are intended to maintain or elevate one's social standing or dignity in the community (Hu, 1944; Luo, 2009).	Interpersonal exchanges centered on gifts (including time, activities, and ideas) presented in a ritualized manner to reinforce or deepen relationships (Mauss, 1925; Belk, 1979).
Origin (<i>Cultural Roots</i>)	China (strongly influenced by Confucian and Daoist philosophies).	China (strongly influenced by Confucian and Daoist philosophies)	China (strongly influenced by Confucian and Daoist philosophies)	Western origins, later expanded into cross-cultural research (Malinowski, 1922; Mauss, 1925; Belk, 1979)
Core Values (<i>Underlying Principles</i>)	Emphasis on interpersonal networks, mutual trust, emotional bonds, and long-term reciprocity.	Emphasis on moral obligations and indebtedness derived from <i>renqing</i> (Xiao-ping Chen & Chen, 2004).	Emphasis on social recognition and self-image management, aiming to uphold or enhance one's face (social dignity).	Emphasis on ritualistic and symbolic meanings; gift-giving can serve as both an exchange mechanism and an expression of affection (including “agapeic” or selfless love) (Belk & Coon, 1993).
Consumption Forms (<i>Practical Manifestations</i>)	1. Purchasing items or experiences for others 2. Sharing consumption with others	1. Purchasing and offering items to others 2. Sharing expenses or resources with others	1. Purchasing items for others (often expensive gifts) 2. Purchasing high-end or luxury products for oneself	1. Buying gifts for others (giver–recipient dyad) 2. Self-gifts (e.g., personal rewards)

Typology (<i>Scholarly Classifications</i>)	3. Self-use with the intent to strengthen Guanxi e.g., hosting banquets, buying gifts, entertainment expenses	e.g., monetary gifts, red envelopes during festivals or important occasions	e.g., luxury goods, upscale dining, exclusive services	e.g., birthday gifts, holiday gifts, corporate gifting
	Rational and irrational guanxi consumer behaviour.	Lacks a formalised typology.	Lacks a formalised typology.	Commonly distinguished as “exchange” vs. “agapeic (selfless)” gift-giving (Belk & Coon, 1993; Sherry, 1983).
Interaction Depth & Scope (<i>Guanxi Range</i>)	Spans family, friends, and business partners, potentially evolving from superficial ties to close relationships (Chen, Chen & Huang, 2013).	Often arises in semi-familiar or familiar contexts, including business settings; as relationships deepen, <i>renqing</i> may transform into more emotional or familial ties (Fan, 2002).	Face concerns may appear at all levels of social interaction, centring on how self and others perceive one’s social status; it may diminish in very close relationships.	Typically involves a giver–recipient dyad, though it can extend to family, friends, or corporate contexts; research often focuses on “two-party” or small-group interactions (Belk, 1979).
Primary Usage Scenario (<i>Context of Application</i>)	See Table 2.4 for diverse scenarios: business entertainment, social gatherings, travel, mutual assistance, etc.	Predominantly observed in festivals, weddings, funerals, or special occasions, e.g., wedding cash gifts, “red envelopes” during Chinese New Year.	Commonly associated with luxury or premium brands/services; also includes high-value gifts intended to confer face upon the receiver.	Found across various cultural contexts, with emphasis on holidays (Christmas, Valentine’s Day), birthdays, or corporate gift exchanges; also includes self-gifting (Belk, 1988).

Table 2.5 differentiation of all other consumptio

To conclude, within a comprehensive institutional field, we must acknowledge that consumption of renqing, mianzi, and gift-giving can facilitate guanxi between two people, fostering these consumptions. However, consumer behaviour based on guanxi cannot be equated to combining renqing, mianzi, and gift-giving. Guanxi consumption may involve renqing, mianzi, and gifts, but not necessarily all. Guanxi encompasses not only renqing but also ganqing and qinqing. (Fan, 2002; Berger et al., 2018). Ganqing may appear in friendships, while qinqing may be in family relationships. However, analysing each of these individually is not feasible as they are all encompassed by the broader concept of guanxi. In addition, good guanxi tends to be close, and renqing shows acquaintance but not a close friend (Fan, 2002). However, guanxi is not static (Chen, Chen and Huang, 2013). It can evolve over time, changing from acquaintance to close friend and vice versa. Studying guanxi consumption in the context of Chinese human relationships is more reliable than studying renqing mianzi and gift-giving separately.

4. The typology of Guanxi consumer behaviour

From our objectives, creating a common typology can illuminate the complexity of guanxi consumer behaviour across different guanxi bases and types of consumption. There is, currently, a knowledge gap caused by diverse theoretical backgrounds between the words ‘guanxi’ and ‘consumer behaviour’. The typology aims to tease out the background of guanxi and consumer behaviour concepts in terms of the nature and basis of guanxi and consumption. Hence, this typology could clarify the analysis of guanxi consumer behaviour.

There are two modes available to differentiate guanxi consumer behaviour. The first mode uses the already existing guanxi typology as a reference point to classify guanxi consumer behaviour. This typology can use various methods, such as distinguishing between family and non-family connections or using social-affective and

instrumental criteria to differentiate guanxi consumer behaviour. The second mode that can be helpful as a guide in determining guanxi consumer behaviour is the terminology of the consumption area. Such as using the rational and irrational to classify guanxi consumer behaviour. Both typology methods have their rationale for classifying guanxi. We need to analyse both modes and point out reasonable typology for the guanxi consumer behaviour.

4.1. The dilemma of guanxi typology

Using the terminologies of guanxi as a guide to distinguish guanxi consumer behaviour has its limitations. As described above, guanxi has four typologies, and no one typology can substitute for the others. Although the typologies of affective guanxi and instrumental guanxi are derived from the fundamental nature of the family vs non-family typology, instrumental guanxi can still be found in family guanxi, for example, in a family business. Personal/informal typology cannot include family guanxi, such as guanxi between parents and children. This family guanxi is contrary to the characteristics of the informal/personal typology. In addition, the mixed type is differentiated from all other typologies. Yang (2001a, 2001) indicated that all kinds of guanxi have a mixture of both instrumental and emotional exchange. Also, Chen et al. (2013, p. 171) state that ‘Chinese guanxi tends to be a mixture of family and non-family, social-affective and instrumental, personal and impersonal characteristics.’

Chinese guanxi comprises some of the essence of Taoist philosophy (Ambler, 1994; Huang, 2000; Joy, 2001; Li, 2012; Sun, D’Alessandro and Johnson, 2014; Horak and Restel, 2016). Holistic duality, which is the core concept of Taoism, premises that a noumenon or phenomenon cannot exist apart from its opposite object. Both opposing objects, such as the Yin and Yang theory, mutually transform and balance each other under a different context (Li, 2008). Thus, it is different from the Western notion of

‘either/or’; instead, it is the Eastern notion of ‘both/and’ (Ambler, 1994). In other words, it is unity in diversity (Li, 2008, 2012; Horak, 2014). Guanxi contains its duality, both sentiment and instrument (Yang, 2001; Li, 2007, 2008; Li, Li and Kambele, 2012; Chen, Chen and Huang, 2013; Horak, 2014). Thus, the typology of ‘mixed’, which mixes family or non-family, instrumental or social-affective, and personal/informal or nonpersonal/formal, can be confirmed because the core philosophy of holistic duality impacts it. However, if all guanxi typologies are mixed, we cannot use ‘mixed’ typology to analyse guanxi consumer behaviour.

Consumers may not have the same interpretation of their guanxi because guanxi's core value creates a mixture and contains dynamic opposing elements: family and non-family, sentiment and instrument, and personal/informal and impersonal/formal. Hwang (1987) gives an example of this: if person A has a guanxi base with person B in the form of a colleague relationship, and they have to cooperate to finish a project and make money together, they might, at first, build instrumental guanxi in their working time. After work, they go for dinner or relaxation and develop social-affective guanxi. Guanxi contains dual purposes, which might not exist simultaneously and with the same weight, creating a heterogenetic perspective of guanxi among consumers. Thus, if we use guanxi's typology as a guide to building a theoretical framework of guanxi consumer behaviour, we face the problem that consumers have no consensual agreement on guanxi.

Overall, the guanxi typology is not fit for guanxi consumer behaviour. The institutions of guanxi use the philosophy base of Taoism, which, being of holistic duality, creates ambiguity in the typology of guanxi. There are at least four typologies of guanxi (family and non-family, social-affective and instrumental, personal/informal and nonpersonal/formal, and mixed), with no uniform consensus (Chen, Chen and

Huang, 2013). Different people may have different interpretations of guanxi typology, resulting in a lack of common sense regarding guanxi consumer behaviour.

4.2. The justification for rational and irrational consumer behaviour

However, guanxi consumer behaviour can be attached to a more unequivocal dual paradigm of consumption research: rational and irrational (Arndt, 1986; Zukin and Maguire, 2004; Warde, 2015). These papers discuss the historical transition in consumer research, from focusing on rational behaviour to emphasising irrational behaviour⁶. In the early stage, positivism research comes from the Vienna Circle: during the 1920s and 1930s, considerable research was conducted into consumer behaviour, such as tea consumption, film-going, eating, and other everyday examples of consumption (Fullerton, 1990, 1994; Belk, 1995). We refer to the assumption of "economic man", where consumers are always assumed to make rational decisions (Zukin and Maguire, 2004). 'Scientific' experimentation and multivariate research were then categorised into consumer-cognition research, which assumed that the consumer was an information processor who dealt with the various market choices like a machine, inputting information and outputting preferences (Belk, 1995). This model seems to emphasise consumer rationalisation.

In contrast, as the Veblen school of consumption arose, it countered the utilitarian assumption. Thorstein Veblen (1989) explored the early symbolic characters of status. Compared to the Vienna Circle's earlier influential work, the consumption of clothes,

⁶ Rational and irrational consumer behaviours are merely terms used to describe a particular phase in the history of consumer research. For now, we'll use this set of terms for explanation, and later, we will specifically mention other terminologies and conduct an analysis and comparison.

cars, food, vehicles, and any commodity in this area cannot be split for analysis. Instead, these come under the same symbolic categories of status, gender, ethnicity and other symbolic information (Belk, 1995). In other words, the research on institutional perspective has aroused intense scholarly interest (Nicosia and Mayer, 1976; Belk, 1995; Arnould and Thompson, 2005; Warde, 2015). These sociological and anthropological perspectives of consumption do not see the consumer as a mechanical processor who perceives information passively and produces a brand and product choice; rather, consumers are socially interrelated human beings interacting in different cultural contexts. In other words, this view does not see humans as rational beings who only buy for utilitarian reasons. Thus, we will use rational and irrational consumption of guanxi to classify our guanxi consumer behaviour.

The same question would be raised, the consumption typology and guanxi typology face similar challenges in defining their boundaries between different types. The typology names describe similar historical above: from modern to postmodern (KARABIYIK and ELGÜN, 2022), economical to sociological (or institutional) (Nicosia and Mayer, 1976; Zukin and Maguire, 2004; Warde, 2015), scientific to symbolic (Belk and Coon, 1993; Paterson, 2006), and rational to irrational (or emotional)(Arndt, 1986; Holt et al., 2014). We still choose the rational and irrational as our typology to develop the future context. The names above have been described similarly in history, before and after 1950 (KARABIYIK and ELGÜN, 2022). We can see from the evidence presented above that the focus of consumer research has shifted from the idealized "economic man" to regular people. The differences between these words are less. The economic man contains the meaning of rational (Mason, 1984). Thus, this is one reason we choose rational and irrational classifications.

We need some binary classification is another reason. These historical reviews show that the typology named after 1950 represents an evolution, a refinement of its

predecessor rather than a binary classification. In other words, the words after 1950 somehow include words before the 1950s. For example, we can find both positivism (Eastman, Goldsmith and Leisa, 1999; O’Cass and McEwen, 2004) and symbolism (Üstüner and Holt, 2010) in status consumption research. This will cause our consumer behaviour to be classified more closely to the typology name after 1950. For instance, the guanxi is an institution; we even use the institutional perspective as a theoretical background. How can we use institutions and economics to classify guanxi consumer behaviour? Although the ‘irrational man’ assumption is more evolutionary than the ‘economic man’ from the historical view, from the wording, the Rational and irrational are more binary than the others.

The issue concurrently raises an additional query: whether our guanxi consumption is subsumed under one facet of the taxonomy in consumer studies. Some papers classify consumption as rational or emotional (Arndt, 1986), and structural or purposive (Holt et al., 2014). Research differentiates between the structures and purposes of consumption (Holbrook, 1994). The structural type involves direct engagement with objects and interpersonal interactions centred around these objects. Consumer actions are either self-fulfilling or means to achieve further ends. From the definition, the structure types seem to contain the behaviour of guanxi, which is interpersonal interactions. This can cause the same problem as before. Thus, rational and irrational are better than structure and purpose, since we cannot easily find connections with guanxi consumer behaviour.

Compared to other typology names, we need to find simple words that are easy to understand. Our typology is the purpose of measurement creation in future research. The measurement needs to be simple and easy, and all other words are harder to understand than rational and irrational typology. Finally, we will choose the rational and irrational typology for guanxi consumer behaviour.

In the typology of guanxi consumer behaviour, we discussed the type of mixture of guanxi, in which the individual has different perspectives on guanxi, and individuals have trends to make guanxi closer. And discussed the rational and irrational consumption areas can classify guanxi consumer behaviour. Within the context of guanxi and consumption, we propose that guanxi consumer behaviour exhibits both rational and irrational characteristics simultaneously. In other words, we cannot either test rational or irrational guanxi consumer behaviour; both must be considered.

4.3. The discussion of between institution perspectives and rational consumer behaviour.

In guanxi consumer behaviour, classifying it as guanxi may be seen as conflicting with the institutional perspective. Previous studies have generally argued that consumption associated with institutional factors is at odds with consumption under economic rationality. For example, status consumption is often regarded as the dividing line in traditional economic analyses of consumption (Belk, 1995; Zukin & Maguire, 2004). However, due to its unique institutional characteristics, guanxi consumer behaviour should instead be analysed from a rational typology.

Within the classification of guanxi, the rational component is inherently present—for instance, in the instrumental and formal aspects of relationships (Fan, 2002). These components inherently embody rational elements, which in turn constitute a part of the guanxi institution. For example, behind some seemingly high-end consumption behaviours lies an assessment of the long-term value of others (L. Li, 2011). Although previous institutional frameworks often did not emphasise the rational component (as seen in status consumption and sustainable consumption), this does not imply that rational considerations are unimportant in these consumption practices.

In some studies, scholars have incorporated rational factors into examining consumption behaviour from an institutional perspective. In research on sustainable consumption behaviour, investigators have found that price and simplicity are regarded as constituent elements (Balderjahn et al., 2013). Moreover, status consumption—which has been identified as the dividing line between economic and social perspectives—has been noted to embody rational components (Goldsmith et al., 2010); for instance, status consumption contains quality requirements that usually belong to rational choice (Eastman & Eastman, 2015). Similarly, establishing good relationships can yield considerable benefits in guanxi consumer behaviour. Thus, the rational perspective in guanxi consumer behaviour does not conflict with its institutional background; instead, rational considerations constitute an integral part of guanxi consumer behaviour.

The above points suggest that guanxi consumer behaviour can be divided into rational components, as guanxi themselves possess rational characteristics. Previous studies, although few, have also proposed that consumer behaviours within other institutional systems include certain rational perspectives. Guanxi consumer behaviour contains both rational and irrational elements and may even represent an innovative form of consumption within institutional frameworks. This is because guanxi, as Chinese-specific human relationships, forms the foundation of many institutional consumption practices, and institutions impose constraints on groups, with groups being interconnected through relational bonds. Therefore, as a relational institution, it inherently contains rational components, and consumption behaviours within other institutional systems may also embody similar rational elements.

5. The rational and irrational consumer behaviour of guanxi

For rational consumer behaviour of guanxi can be defined as when people initiate, build or use guanxi and attach rational interaction to consuming products and services. Examples of rational consumption of guanxi, such as price consideration, have been objectively selected. Irrational consumption of guanxi can be defined as when people initiate, build or use their guanxi and attach irrational interaction to consuming products and services. Examples of irrational guanxi consumer behaviour involve symbolic and emotional interaction, such as symbols of guanxi and feelings of trust.

Recent research papers have enumerated guanxi consumer behaviours comprising rational intention. Sending gifts for special occasions, visiting home for lunch and dinner, and mah-jong can expedite guanxi with one's supervisor concerning promotion and the allocation of bonuses (Law et al., 2000; Li, 2011). Consumption can be used to exploit guanxi for the purpose of solving problems, which can be seen as rational claim in both business guanxi (Huang, 2000) and friends (Joy, 2001). One can build buyer-supplier guanxi to increase firm performance and create reciprocal favours through illicit payments (Millington et al., 2005). Consumption can potentially be used to gain power between parents and children (Ngai and Cho, 2012; Li et al., 2009).

Guanxi consumer behaviour might accommodate the irrational buyer approach. Guanxi has family or family-like, social-affective and personal/informal characteristics. Various studies mention that guanxi includes an emotional character (Fan, 2002; Chen and Chen, 2004). Selected papers show that parents will pay blindly for children's desires, such as luxury food and products (Ying, 2003; Chan, Hongxia and Iris, 2006; Fastoso, Bartikowski and Wang, 2018; Jiang and Shan, 2018). An investigation from a northern village in China showed that some products, such as clothes and food, contain

certain meanings within guanxi consumer behaviour (Kipnis, 1996). In friendships, Chinese people tend to give expressive gifts to each other (Joy, 2001). People need to buy a house to upgrade their guanxi from an informal romantic relationship to a formal married relationship (Riley, 1994). In non-family guanxi, sharing cigarettes can be used to open a relationship with a stranger (Ding and Hovell, 2012; Hu et al., 2012), while wine can be seen as a social lubricant for guanxi. These examples show irrational behaviour is part of the guanxi consumer behaviour area. As irrational buyers have a group of 'emotional' reactors, they are responsive to what the products symbolise and are swayed by 'image' (Woods, 1960). Thus, guanxi consumer behaviour can be attached to an irrational consumption paradigm.

This attachment can also further the institutional perspective research. In previous sociology of consumption, we can see the researcher tends to use symbolism to describe the intention of these consumptions (Nicosia and Mayer, 1976; Belk, 1995; Zukin and Maguire, 2004). It appears that under guanxi, the consumer may view it as a means to gain benefits through a process (Fan, 2002; Li, 2011). There may be a rational purpose behind guanxi consumer behaviour, making this research a trial to add a rational typology under the institutional perspective of consumer behaviour.

5.1. The rational guanxi consumer behaviour

Guanxi consumer behaviour shares the rational assumption and experimental scientific methods, which have been newly applied in consumer research to test people's consumption cognition (Woods, 1960; Belk, 1995). Three main attributes define the rational buyer perspective: a habit-determined group of brand-loyal consumers, a cognitive group (sensitive to rational claims and only conditionally brand loyal); and a price-cognitive group of consumers (Woods, 1960; Mason, 1984). First, the habit-determined group means the buyer will be satisfied with the product because

it solves a buyer's problem, which creates replicated purchases. In guanxi consumer behaviour, it is hard to find evidence to support this. Therefore, the research focused on the cognitive group and price-cognitive group. Second, the cognitive group has rational claims, which can be identified as a sequence of cognitive behaviours. The cognitive process relates to the mental representation of goal-objects under need-arousal instigation (Bayton, 1958); for instance, such people have an ego-bolstering need (they need to enhance or promote their personality, gain prestige, or satisfy their ego through domination of others). This might trigger them to pursue luxury goods for power and status. In the guanxi study, the need for power is one factor that triggers people to cultivate their guanxi (Hwang, 1997). The rational perspective also mentions that convenience is a factor for the cognitive group (Woods, 1960). People who spend money on guanxi may save time and energy for guanxi cultivation (Fan, 2002; Lu, Lin and Wang, 2009). The last group, the price-cognitive group, is interested in product utility, which is essentially concentrated in the economic research area (Belk, 1995; Paterson, 2006). The value linked to guanxi's rational consumption, i.e. how much I spend compared to the depth of guanxi I receive, is a reasonable consideration in guanxi consumer behaviour. Figure 2.1 below shows the components of the rational consumption of guanxi.

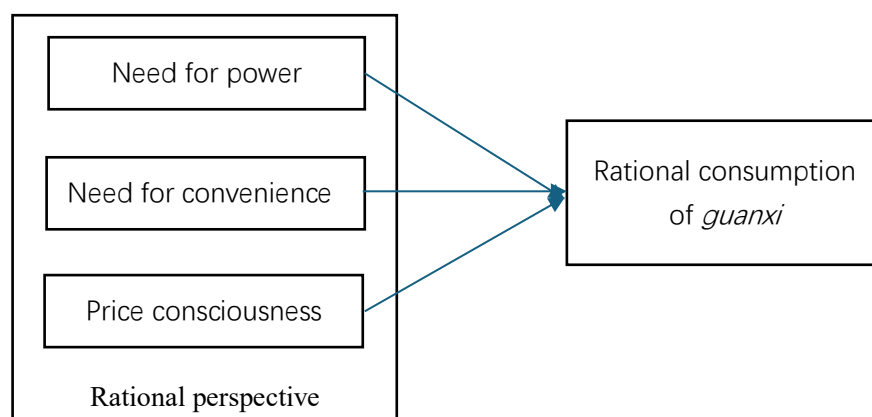


Figure 2.2 The determinants of the rational guanxi consumer behaviour

5.1.1. Need for power

Power is defined as the capacity to control one's own and others' resources and outcomes (Keltner, Gruenfeld and Anderson, 2003; Magee and Galinsky, 2008). It is a cognitive-based construct rising from the motivation to bolster one's ego and has been examined in the context of conspicuous consumption and status consumption (Rucker and Galinsky, 2009; Gao et al., 2016). People buy prestige-attached products because they feel powerless. This is a typical power-related buyer behaviour in personal purchases. As the definition of power includes the desire to control others' resources as well as one's own, the more powerful people show more *guanxi* in China (Hwang, 1987; Qian et al., 2007; Leung and Chan, 2014; Sun et al., 2014). This results in power in Chinese society being represented as *guanxi*. Consumption within *guanxi* institutions may be connected to power as well. The literature does not draw a correlation between power and *guanxi* consumer behaviour but does link it to *guanxi* (Farh et al., 1998; Dunning and Kim, 2007). Using scientific experiments, the power distance belief is a typical indicator of the degree of power. The positive correlation between *guanxi* consumer behaviour and *guanxi* confirms that power plays a vital role within *guanxi* (Dunning and Kim, 2007).

Guanxi consumer behaviour plays a role in transferring power between *guanxi* dyads. Notable power imbalances exist between the parties involved, exemplified by relationships like employer and employee. As the power is unequal, the more powerful will protect the less powerful; in return, the powerless will pay back the more powerful (Barbalet, 2018). This may create the opportunity for the powerless to offer products and services to pay back the more powerful. Thus, power and rational claims are related to *guanxi* consumer behaviour (see Figure 2.1).

5.1.2. Need for convenience

Convenience is an original concept from the rational consumption perspective, but little research has been conducted on its link with guanxi consumer behaviour. People share cigarettes because it is a convenient way to make friends when others are smokers (Hu et al., 2012). Thus, the linkage between guanxi consumer behaviour and convenience is based on the inference of consumption theory. Guanxi cultivation needs time, energy and money (Fan, 2002). However, money is not the most critical factor in guanxi practice. People still can create guanxi by helping each other and partnering, which are nonmonetary routes.

Nevertheless, people's energy and time are limited to guanxi; we cannot partner with anyone. People will spend time and energy mostly accompanying their families, which is considered an irrational consumption of guanxi. Therefore, some guanxi consumer behaviour can be illustrated as saving time and energy, which is the concept of convenience (Berry et al., 2003).

5.1.3. Price consciousness

From the rational perspective, consumers consider the closeness between actual value and price during purchasing (Woods, 1960; Mason, 1984). Under the guanxi construct is the additional importance of guanxi on price, i.e. consumers pricing their guanxi quality. Guanxi culture is a factor that results in luxury consumption in China and upgrades consumer behaviour towards high-scale products (Luo, 2009). The literature links instrumental guanxi and luxury purchases (Sun et al., 2014); luxury suggests the product has a high price, and the positive relationship indicates that the required instrumental guanxi may require a high cost of guanxi consumer behaviour.

5.2. The irrational guanxi consumer behaviour

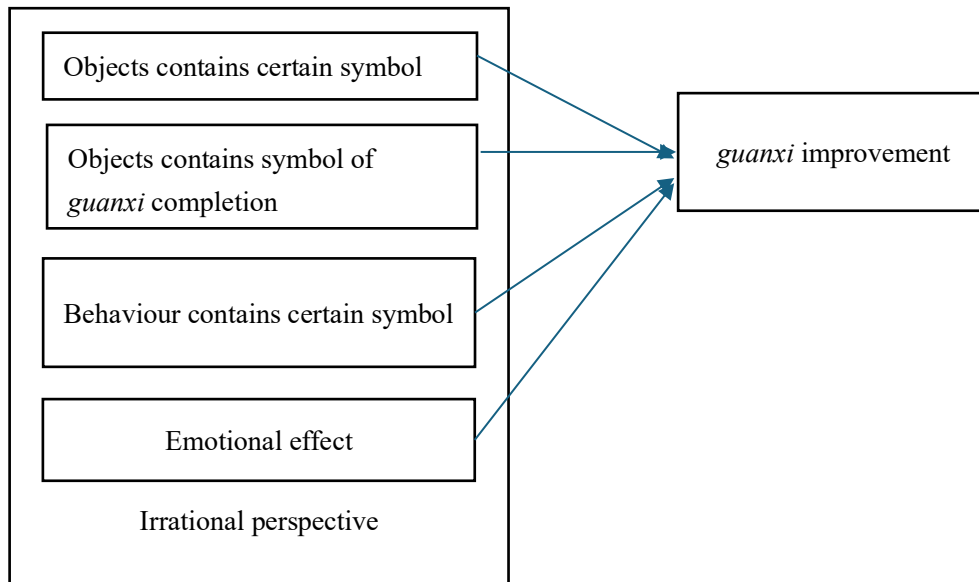


Figure 2.3 The determinants of irrational guanxi consumer behaviour

Guanxi consumer behaviour is linked to irrational buyers and contains the social-affective perspective. Irrational buyers demonstrate characteristics of the impulse group: they are emotional reactors and are responsive to what the products symbolise (Woods, 1960). Thus, irrational consumption of guanxi has an irrational perspective. These consumers consume the product not because of its rational claims, but rather they see them as symbols and rituals. In the symbolic view, marketers and consumers jointly create non-literal meanings in consumer goods and services (Belk, 1995). Within social-affective guanxi, consumption can be identified by three kinds of symbols. First, ‘What are we actually consuming when we buy a luxury item for our partner?’ The marketer creates the product’s meanings interconnected with the meaning of better guanxi for the consumer. Second, another perspective of objects is that consumption proposes possession as an extension of self and as a source of self-completion (Belk, 1988; Kamptner, 1991; Rudmin, 1991). Turning to guanxi consumer behaviour, what people consume represents both guanxi’s extensions and guanxi’s

completion. Third, guanxi consumer behaviour might not always work well in guanxi; rather, it might reduce the guanxi to a low grade. For this issue, some behaviours within consumption contained in the guanxi may become very important. The emotional effect is one of components under the consumption field that is also related to guanxi; the hedonic value means emotional arousal, which is an important value in consumption (Hirschman & Holbrook, 1982). In guanxi consumer behaviour, making a friend happy will also lead to happiness for yourself (Joy, 2001). Therefore, the emotional effect is one component of guanxi consumer behaviour (See Figure 2.2).

5.2.1. Objects containing certain symbols

From the symbolic perspective of the irrational consumption of guanxi, each object contains the meaning of further guanxi: cigarettes, alcohol, banquets, houses, cars and luxury products. A house in the marriage relationship can determine the meaning of *Jia* (family) (Riley, 1994; Grier et al., 2016), and the family in Chinese culture embodies very close guanxi. If the house and car can be acquired before or early in the marriage, it signals that the family life will start well. The interesting phenomenon here is that the upgrade of lover guanxi to marriage guanxi always has interwoven parental guanxi. This ‘equipment’ of marriage contains extra meaning, seen as ‘guanxi protection’ by both lovers’ parents (Riley, 1994). According to our interpretation, a successful marital guanxi in Chinese culture is, to some extent, contingent upon material conditions; lacking these, the stability of the marital guanxi is compromised (Riley, 1994). Eggs are seen to have the meaning of recuperation when given to the new mother; giving food is seen as a concern for someone’s health when visiting the elderly or the ill and the mother who has recently given birth (Kipnis, 1996). Tea is often used to show respect to others, symbolizing *xinyi* (the intention of the heart) (Quanmin Li, 2015; Tong, Toppinen, and Wang, 2021). Similarly, jade is seen as a symbol of luck, representing one's best wishes to others (Møller, 2022).

Objects	Symbol	Meaning	Authors
Cigarettes, Tea,	<i>Shou liu dan</i> ('Hand Grenades'), connection-builder, gifts of respect	Open someone's heart.	(Ding & Hovell, 2012; M. M. Yang, 1994)
Tea	<i>Xinyi</i>	Show someone respect. intentions of their hearts	(Quanmin Li, 2015; Tong, Toppinen and Wang, 2021)
Jade	Luck	To send wishes to another	(Møller, 2022)
House and car	Jia (home); Guanxi protection	To protect the marriage guanxi longer.	(Riley, 1994; Grier, Hicks and Yuan, 2016)
Eggs and food	Concern; recuperation	Concern for older people and new mothers	(Kipnis, 1996)
Wine and alcohol	<i>Zha yao bao</i> ('A Satchel of Dynamite')	Open someone's heart.	(Yang, 1994; Nojonen, 2003; Yang and Paladino, 2015)

Table 2.6 Consumption objects containing symbols

5.2.2. Objects containing symbols of guanxi completion

An earlier study (Yang, 1994; Nojonen, 2003) shows cigarettes and alcohol having different names – such as cigarettes with the name of Phoenix that have been changed to *Shou liu dan* (Hand Grenades), and alcohol that is called *Zha yao bao* (A Satchel of Dynamite). These products contain the name of a weapon that can ruin any fortress of people's hearts, and open the way to build a 'back door' (Yang, 1994). Moreover, such wine has the meaning of being a 'social lubricant' (Yang and Paladino, 2015). Building guanxi could be seen as a war with a psychological line of defence. In previous guanxi classifications, each guanxi-based interaction may be social-affective and instrumental. The view here is that alcohol and cigarettes are closer to the social-affective; the essence of the product creates an addiction for the consumer, and the addiction mainly touches people's emotions.

Rudmin (1991) observes that 'you are what you possess', in other words, consumers who spend money on services and products are seen as attaining one type

of 'self-completion' (Belk, 1988; Kamptner, 1991; Rudmin, 1991). Thus, in the guanxi consumer behaviour field, because guanxi consumer behaviour often involves two or more people, it might see as the guanxi completion. The guanxi in the earlier papers (King, 1991; Chen and Chen, 2004; Leung, Heung and Wong, 2008; Yang and Wang, 2011; Wong and Huang, 2015) contains the social norms from the ancient Confucianism. In the past, these norms may have been represented as a set of behaviours, such as *xiao* (piety). In the past, the Chinese have had the entire guild, The Classic of Filial, to tell children how to show piety, such as accompanying their parents. These norms also become part of guanxi, similar to how a man and a woman who see a film together would be seen as lovers or potential lovers, and how one person alone watching a film would be seen as lonely. The oldest case is called *jiu* (alcohol) *rou* (meat) *pengyou* (friend) to express the relationship of acquaintance between two people (Yang, 1994). Such cases inform us that the consumption place and product already have some specific meaning attached to prove the completion of the guanxi.

5.2.3. Behaviour during the irrational consumption of guanxi

Behaviour during the process of guanxi consumer behaviour contains special meaning. The guanxi consumer needs to follow specific rules, or the guanxi may not come through. For example, at a banquet, during a drink or after drinking with someone, some people need to flip their cup to show no alcohol is left (Lamm, 2016); this protocol shows honesty to other people and gives them a signal that you are worth being connected to. The Chinese culture has the word *laiwang*, which means 'You honour me a foot, I will re-honour you ten feet' (Chan et al., 2003). When referring to guanxi, the term *laiwang* could mean the exchange of gifts, or the exchange of visits (Kipnis, 1996).

In another area, such as the illegal playing of mah-jong (a gambling game), bribers play mah-jong with a government official, and the briber needs to lose to the targeted

official deliberately, which is key to making the guanxi happen with the target. Another example is that of a businessman who wants to make guanxi with a person; this person tells the businessman that his son wants to learn Chinese calligraphy. The businessman then finds an excellent calligraphy trainer to teach the son for free (but the businessman actually pays for everything). During this conversation, neither person mentions anything about training fees (bribery), but their guanxi is connected. Sometimes, this non-literal message is also seen as a symbol to show the degree of a smart businessman (Li, 2011), as making guanxi with smarter people may avoid risk for both. This kind of talking and behaviour during consumption contains meaning that links to guanxi's essence, in terms of risk management, honesty, and so on (Chen and Chen, 2004; Wang, 2007; Berger et al., 2018). Studying these meanings can help further research the depth of the guanxi consumer behaviour and its related variables.

5.2.4. Emotion effect

The guanxi practice must have emotional arousal. In the inner circle of guanxi, family or family-like guanxi contains the characteristic of *qinqing* (affection to the loved ones), and the outer circle of guanxi, such as friend guanxi, includes the characteristic of *ganqing* (emotion to a friend). Both *qinqing* and *ganqing* involve an emotional reaction (Fan, 2002; Lisha et al., 2017; Barbalet, 2018). In relation to consumption, hedonic value is an essential factor of irrational consumption (Hirschman and Holbrook, 1982); hedonic value can be seen as happiness and pleasure, which is pertinent to emotional arousal (Hirschman and Holbrook, 1982; Chiu et al., 2014; Jiang and Shan, 2018). In guanxi consumer behaviour, people give a gift, which makes others feel happy, and the person also feels comfortable as well (Joy, 2001). Thus, emotional factors should be considered when irrational guanxi is consumed.

6. The contribution of guanxi consumption

In clarifying future research directions, guanxi consumer behaviour research can contribute to institutional studies, especially guanxi as institution impact on consumer behaviour. Guanxi consumption differs from renqing consumption, mianzi consumption, gift-giving, and status consumption, which section two will make an argument upon. Thus, guanxi consumption adds a new member to the comprehensive institutional family.

Indeed, guanxi consumer behaviour could become a fundamental part of institutional field study. Guanxi is typical of Chinese human relations. Nevertheless, the different institutions of human relations are not only presented in China; it's called *Blat* in Russia (Ledeneva, 1996; Michailova and Worm, 2003), *yongo* in Korea (Horak and Taube, 2016), ...in the Arabian world, it's known as *wasta* (Smith et al., 2012), In Japan, it's called *wa* (Alston, 1989), and in Brazil, it's referred to as *jeitinho* (Smith et al., 2012). Even individualist areas like the West still have “pull strings” (Smith et al., 2012). Different countries have different human relations activities and continually create various institutions. Thus, studying guanxi consumer behaviour can provide us with a chance to understand global human relationship-related consumption.

The classical social theorists focused on consumption only to support their central theoretical arguments, such as conspicuous consumption, resulting in limited and somewhat biased analyses of the subject matter (Warde, 2015). Guanxi consumer behaviour is a subset of social theories focused on consumption. The study on guanxi consumer behaviour can advance the institutional field. The reason is that most social consumption is based on human relations, conspicuous consumption cannot appear without two peers, gift-giving without human relations will become self-gift giving, and even sustainable consumption stands on an altruistic base. The guanxi consumer behaviour is under Chinese institutions and culture, but studying this can open new

ways to observe global consumption and improve the comprehensive institutional field of consumption.

Guanxi consumer behaviour can add value to boundary-breaking in consumer research, gradually making institutional field research vital. The most recent disciplinary discussion of consumer research discussed boundary-breaking opportunities (MacInnis et al., 2020). In future boundary-breaking research, sociology will be an important phase in making consumer research flourish (MacInnis and Folkes, 2010). Some research has also discussed these types of boundary-breaking actions as institutional field trials (Mountford and Geiger, 2021). The boundary-breaking view is that the unit of analysis needs to consider small groups of dyads, families, peer groups and work groups rather than individuals (MacInnis et al., 2020). The institution can happen within these groups, which explains why the institution is one kind of boundary-breaking research. Our research on the guanxi definition shows that it primarily involves small-group activities and includes dyads and social networks. The guanxi consumer behaviour might guide the marketer to consider the consumer's guanxi group identity, to clarify, it is not about the individual but rather the collective entity they represent.

Guanxi consumption could enhance our understanding of the institutional field by promoting a holistic research approach. We also have proposed a framework of guanxi consumer behaviour, which conducts both rational and irrational assumptions within consumption. As we understand, the earliest research can be dated from economic analysis. Scientific experimentation and multivariate were the mainstream in consumer purchase research. Researchers tended to research why people buy shoes and go to the cinema. These views assumed that the consumer was an information processor who dealt with the various market choices like a machine, inputting information and outputting preferences (Belk, 1995). On the other hand, sociologists think consumption

is not always rational. A set of institutions, such as status, value, religion, culture, etc., drives consumer actions (Zukin and Maguire, 2004; Paterson, 2006; Warde, 2015c). The researcher also calls this the Veblen approach (Coşgel, 1997). However, according to the Chinese epistemology of holistic duality (Ambler, 1994; Li, 2008; Horak and Taube, 2016), guanxi contains both an emotional part and rational instrumental characteristics that lead people to consider loss and gain. Regarding consumption, selecting goods involves social and cultural aspects and economic factors (Zukin and Maguire, 2004). Although institutional perspectives of consumption, such as status consumption, have positive and symbolic views (Gurzki and Woisetschläger, 2017), guanxi consumer behaviour may contain both rational and irrational aspects within the same guanxi type simultaneously. Thus, studying guanxi consumer behaviour could be a chance to have a comprehensive view of the institutional field. We also need to consider the consumption of sociology from a holistic perspective.

The guanxi institution is a fundamental element of institutions. The guanxi consumer behaviour study can contribute to the initial institution study into four. We can use the guanxi consumer behaviour template to track global human relationship-based consumer behaviour. Become a new element and pave the way for other institutional consumption, such as conspicuous consumption and sustainable consumption. The guanxi consumer behaviour can also be a trial to help consumer research break its boundaries towards the institutional field. The guanxi consumer behaviour can be an example of containing both rational and irrational typology under the institutional perspective; the previous research often seen the institutional perspective as closer to the rational view of consumption.

7. Future Research and Conclusion:

The institutional perspective research on consumer behaviour contains two stages: one is to find more consumer behaviour under certain institutions. This paper views guanxi consumer behaviour as a new consumption type added to the existing institutional perspective (Nicosia & Mayer, 1976). The paper explains that guanxi consumer behaviour exists because guanxi are a form of institution (Horak & Restel, 2016), and institutions affect and constrain consumer behaviour (Nicosia & Mayer, 1976). We define guanxi consumption through a literature review and distinguish it from other consumption types. For future study, the paper explores the classification of guanxi consumption. Due to the complexity of Chinese guanxi, it isn't easy to define guanxi consumption solely based on terms of guanxi. Therefore, we introduce the classification methods used in consumption studies. We also explore how rational guanxi consumption can contribute to the development of the institutional perspective. Based on this, we propose a practical consumption model.

One of the second stage of the institutional perspective is involved institutional theory, the main concern of this area can be introduced that market evolution as a social process (Ben Slimane et al., 2019). To further deepen this theoretical framework, related studies have explored how consumers, as market actors, promote the institutionalisation of the market (Scaraboto and Fischer, 2013; Dolbec and Fischer, 2015; Kjeldgaard et al., 2017).

Under this view, we can introduce institutional theory into the study of guanxi consumption to examine whether everyone holds the same view of it. This issue will be analysed in detail in Chapter 3. In addition, in the second stage, other institutions can be introduced to explore how guanxi consumers make decisions and evolve under different institutional conditions. This will be further analysed in Chapter 4.

Second, we can use qualitative methods to study the specific contexts of guanxi consumption. For example, some literature notes that alcoholic beverages are sometimes called "hand grenades." This reflects the unique perception of consumption goods in specific cultural contexts (Yang, 1994; Nojonen, 2003).

Moreover, guanxi consumption in different regions shows distinct consumption cultures and institutional features (Shi et al., 2015). Previous studies have often described these phenomena in rural (Brown et al., 2011; Yan, 2002) or urban settings (Riley, 1994) without establishing a specific theoretical framework. Therefore, comparative studies of guanxi consumption across regions can help reveal its underlying patterns and provide a basis for constructing a systematic theory. This will be an important direction for future research.

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Chapter Three : Guanxi consumer behaviour: Scale development, validation, and cluster analysis under institutional consideration.

1. Introduction

Guanxi consumer behaviour is people consume products and services to initiate, maintain and use guanxi in Chinese culture. Chen and Chen (2004) defined guanxi as an interpersonal connection, an informal, particular, personal connection between two individuals bound by an implicit psychological contract. Consumers will act under the institution of guanxi to achieve their goals. The entire thesis focuses on guanxi consumer behaviour. In the second chapter, we used an integrative research review to discuss the institution of guanxi consumer behaviour, focusing on its theory background, definition, and classification. Although the second chapter two has clarified what guanxi consumer behaviour is and its theoretical significance, a complete set of tools needs to be established for guanxi consumption to understand guanxi consumer behaviour in academia further. Moreover, since guanxi consumer behaviour falls under consumption from the institutional perspective, we should explore this field further. Thus, this research aims to build measurement by considering institutional consumption perspectives.

Our chapter two outlines the reasons for the existence of guanxi consumer behaviour, its definition, and its typology. It is based on the view that institutions influence consumer behaviour, leading to the concept of guanxi consumer behaviour, which falling under the institutional perspective of Phase One. guanxi consumer behaviour refers to consumer behaviour under guanxi institutions during guanxi

development, maintenance, and use. We classified *guanxi* consumption as irrational and rational *guanxi* consumer behaviours. Rational consumption of *guanxi* is defined as people initiating, building, or using their *guanxi* while attaching rational interactions to consuming products and services. Irrational consumption of *guanxi* can be defined as people initiating, building, or using their *guanxi* while attaching irrational interactions to consuming products and services. We discuss at length the reasons why convenience (Hu et al., 2012), price sensitivity (Luo, Liu and Xue, 2009; Sun, D'Alessandro and Johnson, 2014) and power (Hwang, 1987; Leung & Chan, 2014; Qian et al., 2007; Sun et al., 2014) are rational considerations for *guanxi* consumption. People often find convenient ways to spend money on cultivating *guanxi*. In terms of power, some people may use money to control others. Additionally, when it comes to the cost of developing *guanxi*, people tend to prefer spending less money to achieve the best results. Thus, these three elements could be sub-components of *guanxi* consumption. As for the irrational consumption of *guanxi*, the sub-components could include symbolism and emotional effect (EF) (Joy, 2001; Tynan et al., 2013; Zhuang et al., 2010). People may consider spending money on products or services appropriate since they contain some meaning that can convey their *guanxi*. Consumers are highly likely to spend money on *guanxi*, which makes them happy. Thus, symbolism and emotional effect factors are sub-components of *guanxi* consumption.

Under the influence of these five dimensions, we need to establish a scale for *guanxi* consumer behaviour based on institutional contexts. As *guanxi* consumer behaviour is a novel topic, we must draw from existing consumption scales framed within institutional perspectives, including sustainable (Balderjahn, Buerke, et al., 2013; Fischer et al., 2017; Quoquab et al., 2019), status (Eastman et al., 1999), political (Baumann et al., 2015), and fair consumption (Balderjahn, Peyer, et al., 2013). The construction of these scales primarily involves categorising based on specific institutional definitions. For example, sustainable consumption encompasses well-being, quality of life, and the future generation's concerns. However, the major issue

with these scales is their need to effectively contribute insights into institutional consumer perspectives. This is because they treat these institutions merely as words, overlooking the intrinsic characteristics of the institutions. The reason for considering institutional characteristics is that the impact of institutions varies among individuals, particularly concerning the boundaries of the institutions and variations in consumer behaviour (Lamont and Molnár, 2002).

Then, we need to compile relevant literature concerning the five dimensions, as we aim to identify measurement scales of reference value from these sources. In guanxi consumer behaviour, 'power' refers to the demand for control. Currently, there are two pieces of literature on the measurement of power in rational guanxi consumer behaviour: one discusses power distance belief (Hofstede, 2001; Zhang, Winterich and Mittal, 2010), and the other focuses on the need for power (Steers and Braunstein, 1976). Simple needs in guanxi consumption refer to the potential to save time and energy. We have chosen "service convenience" as our guiding principle in the literature (Berry, Seiders and Grewal, 2003). Regarding price sensitivity, we are examining new issues related to cost-effectiveness. Past studies have linked "price-quality" and "price consciousness" to our guanxi consumption (Lichtenstein, Ridgway and Netemeyer, 1993). In irrational guanxi consumption, symbolism primarily concerns whether our consumption aligns with our guanxi symbols. Some literature aligns with symbolic consumerism in this respect (Strizhakova, Coulter and Price, 2008). Emotion is also crucial; whether consumers feel happy in guanxi consumption is a significant consideration. "Hedonic effect" is a commonly used measurement in this field (Wiedmann, Hennigs and Leibniz, 2009; Jiang and Shan, 2018). Since the literature does not explicitly measure each sub-dimension of guanxi consumption, we need to adapt these studies accordingly.

Guanxi consumer behaviour is a relatively innovative topic requiring a measurement tool for future research. However, previous literature faces two main issues when measuring. Firstly, guanxi consumer behaviour is a form of consumption based on institutional contexts, yet related studies have not effectively considered the impact of institutional characteristics on measurement. Secondly, due to the complexity of guanxi in the discussion in chapter two, finding suitable measurement methods through guanxi classification is challenging. Thus, we must rely on the literature in consumer studies for guidance. Therefore, the research objective is to create a measurement scale for guanxi consumer behaviour based on institutional characteristics.

We conducted a survey to measure the rational and irrational consumption of guanxi. Using a consumer paradigm, we merged guanxi consumption with the various pre-existing scales in this area to create our guanxi consumption scale. This paper compared different maturity scales in these consumer areas. We then chose a suitable existing scale to guide the creation of a guanxi consumption scale. Using existing scales and expert reviews is recommended for a deductive approach to item generation due to the existing theoretical framework of guanxi consumer behaviour (Hinkin, 1995; Sharma, 2010; Morgado et al., 2017).

We will incorporate institutional theory into this concept for a comprehensive discussion. This chapter rely on phase two of institutional perspective. we will further explore the institution differences within consumer behaviour, also from an institutional perspective. This approach is grounded in the perspective of Phase Two of institutional perspective, focusing on institutional changes within consumer behaviour.

In our previous discussion, we referred to the definition of institutional boundaries in guanxi consumer behaviours. We conducted two unsupervised cluster analyses to classify respondents based on their guanxi preferences and the number of

guanxi. The cluster analysis is an unsupervised study that ensures scientific precision since the researcher needs to know what classifications will be produced after implementing this method. There are two groups: the wide guanxi group (WG) and the narrow guanxi group (NG). Other groups are high guanxi activation (HGA) and low guanxi activation (LGA). We then conducted principal component analysis (PCA) and confirmatory factor analysis (CFA) for each group to address how guanxi consumption differs in consumer understanding. The groups exhibit a clear difference, with HGA and WG groups higher than others. We explicitly implemented measurement invariance to observe the differences between the groups under the dimensions of the rational and irrational consumption of guanxi. The final step involved using cross-analysis to ascertain the attributes of consumers who partake in guanxi consumption, which will help future researchers collect data concerning appropriate segmentations. The HGA and WG groups have higher income levels than the LGA and NG groups.

This article is significant for both guanxi consumer behaviour and consumption from institutional perspectives. Studying guanxi consumer behaviour necessitates the development of an effective measurement mechanism. his paper has developed a valid scale by analysing issues across five dimensions, particularly targeting groups with high guanxi activity, which is crucial for future theoretical research. Through an analysis of the boundaries of guanxi consumption, the study reveals differences in understanding among various groups, providing robust evidence for the institutional background of guanxi consumption and setting an excellent example for future research in this field. Finally, guanxi consumer behaviour includes rational and irrational typologies, and this can be applied not only within guanxi consumption but also broadly in consumer behaviour studies under more extensive institutional perspectives.

2. Theoretical Background

The guanxi consumer behaviour framework in the first paper aims to explain why and what guanxi consumer behaviour is. We still need to find evidence of guanxi consumer behaviour based on empirical study. The proof of guanxi consumer behaviour needs to be generalised through measurement development. Meanwhile, the institution's characteristics should be considered in the measurement design as the institution constrains consumer behaviour. Thus, this research will create a measurement that considers guanxi consumer behaviour's institutional characteristics. The literature review needs to summarise two areas to help further scale development. The first part summarises the development of measurement in consumer behaviour, particularly in the institutional field. As guanxi consumer behaviour is a novel concept, there is a lack of scale development within the area. In the review, we find that this literature neglects institutional characteristics, especially institutional boundaries. In the second part, we compared the scales in five determinates and discussed their application within the institutional boundary. A more in-depth discussion needs to be conducted to justify using different measurements.

2.1. The summary of the scale of institution-related consumption

In our previous chapters, consumer behaviour in guanxi consumption has been regarded as an institutional perspective within the consumption field. Guanxi, as a uniquely Chinese institutional system, guides consumer behaviour. Since guanxi consumer behaviour is a novel topic, the measurement methods based on this type of consumption are limited. We can only provide summaries of the literature related to institutional measures and draw on the parts that are meaningful to us. We selected papers from sustainable consumption (Balderjahn et al., 2013; Fischer, Böhme and Geiger, 2017; Quoquab, Mohammad and Sukari, 2019), fair consumption (Balderjahn,

Peyer and Paulssen, 2013), status consumption (Eastman, Goldsmith and Leisa, 1999; O'Cass and McEwen, 2004), and culture orientation (Sharma, 2010).

The scale studies mentioned above are closely related to the consumption discussed in Chapter 2 from an institutional perspective. Status consumption is one of the most institutionally characteristic consumption behaviours. Institutional factors, such as social hierarchy and the classification of consumer classes, often subtly influence consumers' purchasing behaviour. Consumers purchase specific brands or high-end products to display social status, and this behaviour is influenced by social institutions and cultural norms, reflecting the impact of institutions on consumer behaviour. The sustainable consumption involves the long-term environmental, social, and economic sustainability of products. Consumers are often constrained by the concept of sustainable, leading them to choose sustainable products. This constraint can be a formalised institution promoted by the government or an advocacy for sustainable concepts like ecological protection organised by consumers themselves. Such fairness is part of the law in many countries, constituting a formal institution. This institutional constraint extends to consumers' self-restraint when purchasing products from other countries, prompting them to possibly forgo cheaper economic products to support goods that meet fair trade standards, demonstrating the influence of institutions on consumer behaviour. The culture itself is an institutionalised framework. In different cultural environments, consumers' needs, aesthetics, and values are influenced by local traditions, religious beliefs, laws, and social norms. Therefore, cultural orientation is not only the result of individual choices but also the product of institutionalised cultural atmosphere, reflecting the impact of institutions on consumer behaviour.

Specifically, regarding status consumption, primary scales measure consumer willingness towards status-oriented purchases (See the Table 3.1). Research focuses on integrating terms related to status into consumer purchase intentions, thereby

investigating the dynamics of status consumption (Eastman et al., 1999). Comparative analyses between the scale of status and conspicuous consumption further elucidate distinctions within consumer behaviour patterns (O'Cass & McEwen, 2004). The sustainable consumption scale is categorised into environmental well-being, quality of life, and concern for future generations (Quoquab et al., 2019). An economic viewpoint examines scales of sustainable consumption's emphasis, highlighting correlations with pricing structure (Balderjahn, Buerke, et al., 2013). Studies focusing on the green consumption scale of young people, particularly in food and fashion, provide insights into emerging consumer trends (Fischer et al., 2017). Fair consumption is defined by the fairness of labour practices in product manufacturing, with a consumer preference for equitably produced goods. A set of six brief questions evaluates the concept of fair consumption (Balderjahn, Peyer, et al., 2013). The cultural orientation scale explores various consensus cultures, such as individualism and power, across diverse cultural dimensions, offering a broadened understanding of cultural impacts on consumer behaviours (P. Sharma, 2010). Most of these studies apply exploratory factor analysis and confirmatory factor analysis to guide their scale development.

Besides providing a methodology guide to our research, there are several advantages that this paper needs to be followed. First, these studies discuss the concept of specific institutions and develop the scale based on these institutions. In this study, we also contained five determinants of guanxi consumer behaviour. The measurement discussion of these determinants will also be presented in a later section.

Second, sustainable consumption scales designed explicitly from an economic perspective, such as those measuring consumers' sensitivity to pricing, are also utilised. This economic viewpoint guides a rational typology of guanxi consumption. Indeed, many consumer behaviours associated with institutional frameworks can be integrated into an economic perspective. As discussed in the previous chapter, guanxi often

displays mixed characteristics (C. F. Yang, 2001). Consequently, it is challenging to categorise guanxi solely based on their typology. Therefore, we employ both rational and irrational perspectives for differentiation. Naturally, our scales are also developed based on this categorisation.

Table 3.1 The summary of scale development of institution-related consumption

Paper	Research Foundation	Main analysis methods
(Eastman et al., 1999)	Created scale to intentions of status consumption scales across clothing, electronics and personal care products.	Exploratory factor analysis, and confirmatory factor analysis
(O'Cass & McEwen, 2004)	Compare the measurement of conspicuous consumption and status consumption.	Exploratory factor analysis.
(Fischer et al., 2017)	Created the food and clothing consumption scales for young consumer behaviour under sustainable institutions. Developed a typology of nutrition and purchase choices for food consumption, and choices for cloth consumption including sufficient and frugal options.	Confirmatory factor analysis
(Quoquab et al., 2019)	Created scale for sustainable consumer behaviour, into care for environmental well-being, quality of life and care for future generations.	Exploratory factor analysis and confirmatory factor analysis.
(Balderjahn, Buerke, et al., 2013)	The scale of sustainable consumption involves an environmental dimension, a social dimension and especially an economic dimension.	Exploratory factor analysis and confirmatory factor analysis.
(Balderjahn, Peyer, et al., 2013)	Created consciousness for fair consumption.	Exploratory factor analysis and confirmatory factor analysis.
(Sharma, 2010)	Created the measurement of personal culture orientations.	Exploratory factor analysis, confirmatory factor analysis, and measurement invariance.

Third, the article on cultural orientation provides valuable insight into why, even though some institutions or cultures may have a universal consensus, their interpretations differ across parties (Sharma, 2010). The paper acknowledged that individuals in different institutions perceived the meaning of scale differently. Then, the paper uses measurement invariance methods to find a universal tool that can be applied

to different areas of institutions. We will also apply this measurement invariance to our study, but in different functions.

However, previous research needs to pay more attention to the diverse interpretations of institutions people have made. This also validates Daloz's cautions: classical social theorists only made passing comments about consumption, using it to illustrate their central theoretical arguments rather than comprehensively considering the topic of institutions. We cannot assume that all participants fully understand guanxi consumption. For example, status consumption assumes everyone engages in status consumption, which might not accurately reflect the institutional perspective. Participants might not naturally be status consumers. Institutional theory in the consumption area suggests that institutions influence everyone, but these influences have boundaries, and the behaviour of consumers inside and outside these boundaries differ (Scaraboto and Fischer, 2013; Dolbec and Fischer, 2015).

2.2. Consideration of institutional boundary

In phase two of institution perspectives, institutional theory has been applied to consumption to analyse how consumers reform the consumption institution. The institutional theory has been applied to phase two. From this perspective, a market can be conceptualized as an organizational field that comprises a collection of institutions and actors. It is directed by institutional logics and defined by institutional boundaries (Dolbec and Fischer, 2015; Scaraboto & Fischer, 2013).

Under institution theory, we consider boundary of institution is key to analysis our consumer behaviour. The institutional boundaries refer to the distinctions recognised by actors within a field, such as categories of objects, practices, and spaces (Lamont and Molnár, 2002; Zietsma and Lawrence, 2010). Consumers under guanxi institutions have typical institutional boundaries. Status, gender, and various opinions

formed the distinction under the same institution (Lamont and Molnár, 2002). For example, the authors identified "emerging" and "contested" institutional boundaries in fashion consumption through interviews. The emerging category of actors can be seen as fashion bloggers, while the contested actors may be viewed as people who traditionally work in the fashion market but face challenges from those fashion bloggers. Also, the different groups will cause a distinction in their practice; the fashion blogger will present their fashion wear in their life scenario, but the contested group may stick to traditional trends and tend to show the fashion wear itself (Dolbec and Fischer, 2015). Thus, our research needs to determine the boundaries of guanxi institutions.

The institutional boundary naturally existed within one institution (Dolbec & Fischer, 2015). More specifically, the status consumption scale tries to identify the different consumer categories, such as cloth, electronic and personal care (Eastman et al., 1999), and the food and cloth purchase category in young sustainable consumers (Fischer et al., 2017). We can see these categories as the institutional boundary. However, these boundaries cannot rigorously reflect the reality of the market, as the author selected these categories. Thus, this article aims to identify a natural boundary through data analysis. In the upcoming methodology section, we will discuss the use of the frequency of individual interactions with their guanxi within a six-month period as a criterion for defining an institutional boundary. The cluster analysis will be applied to find out the institutional boundary. This will help us determine if our analysis in the previous chapter can be categorised into types such as instrumental relationships, emotional relationships, or distinctions between familial and non-familial relationships. Although Guanxi significantly impacts Chinese consumers, the different groups may have different values. Based on the literature, this research included institutional boundaries in the research design.

In our study, we classify guanxi to represent the manifestation of boundaries and further examine how the five factors of guanxi consumption are influenced under different boundary conditions. This research approach is similar to cross-cultural scale analysis, such as that in Sharma's work. However, these studies typically rely on pre-established categories, such as different cultural regions (e.g., China, Western), for analysis. These articles often use scales and different group analysis methods, such as measurement invariance(Sharma, 2010). However, their focus differs from ours in several key aspects. First, these studies test based on predefined boundaries. In contrast, our research is looking at boundary inside of institutional contexts, aiming to generate boundaries through guanxi consumer behaviours rather than relying on existing ones. Similar to Fischer's study, where he found that "emerging" and "contested" boundaries were dynamically formed through interviews rather than predetermined, we will employ quantitative methods to achieve this. Boundaries are not static; a boundary between the emerging and the contested today could evolve into different pathways over time. Second, while these studies typically seek to establish a consistent scale across multiple institutional contexts, demonstrating that their scale is applicable across various environments. In contrast, our focus is on identifying differences within a single institutional context. Thus, we will use cluster analysis to find nature boundary within guanxi consumer, and then use measurement invariance to test difference between boundary. In other words, we emphasise heterogeneity rather than homogeneity.

2.3. The determinates of guanxi consumer behaviour

Our measurement still needs to justify the measurement based on five determinates. Figure 3.1 shows some differences from what we stated in our first chapter. There, the rational consumption of guanxi contained indicators of the need for power (POW), the need for convenience (CON) and price consciousness (PC). The irrational consumption of guanxi included indicators of objects containing certain symbols, objects containing certain symbols of guanxi completion, behaviour containing certain symbols, and

emotional effects. However, we deleted ‘behaviour containing certain symbols’ because behaviour is hard to track with questionnaires and measure with scales. Tracking behaviour may require observation, which is a topic to be explored in the future. We merged two indicators as ‘symbolic consumption’ because they share the same character.

2.3.1. Power in rational guanxi consumer behaviour

Power is a rational claim (Bayton, 1958; Belk, 1995) that is included in the rational consumption of guanxi (R. Zhao, 2020). Power is defined as an individual’s relative capacity to modify the state of others by providing or withholding resources or administering punishments (Keltner et al., 2003).

We used an existing scale to develop our measurements of power. In the literature, two measurements are used to assess power. One is Power Distance Belief (PDB), which refers to the extent to which less powerful members of societies expect and accept that power is distributed unequally (Dunning & Kim, 2007; Hofstede, 1991). The scale used to test PDB is based on classic research (Hofstede, 2001) measuring people’s views on power distribution within a society (Gao et al., 2016; Kim & Zhang, 2014). Another measurement, POW, assesses the degree of people’s need to control or influence others (Jha, 2010; Steers & Braunstein, 1976). The POW scale was developed by Steers and Braunstein (1976). In comparing PDB and POW, we believe that POW is more relevant to our rational consumption; the one with less power (the business person in our example) paid the fee to the one with more power (civil servant) (L. Li, 2011). The indicator of PDB has a positive correlation with guanxi (Dunning & Kim, 2007), and guanxi practice must have guanxi consumption. Thus, PDB may correlate with guanxi consumption. In our case, the power here is political power, but the businessman also holds a resource (artist’s fee), which is another power the civil servant does not have. Thus, consumption can assist both parties in gaining power in this case.

In our *guanxi* consumption, we want to test how people use consumption as a resource to provide something or to change other people's decisions. The measurement of POW contains statements such as 'I seek an active role in the leadership of a group' (Steers & Braunstein, 1976), as well as 'influence', 'in-command' and 'leadership', which are more related to dominance over others. Thus, compared to PDB, the measurement of POW is more relevant to our case.

Based on the characteristics of Power Distance Belief (PDB) and Need for Power (POW), POW appears more suitable for this study. Firstly, PDB primarily reflects cultural and social values, focusing on how individuals understand and accept power inequality in society (Hofstede, 2001). However, PDB is a belief system that emphasises cognitive perceptions of power structures rather than specific behavioural manifestations. Although PDB can explain differences in consumers' understanding of power, it does not directly reveal their actual consumption behaviours. This makes PDB less effective in capturing consumer behaviours within and outside institutional boundaries. In contrast, POW is a behaviourally oriented scale (Steers & Braunstein, 1976), which emphasises individuals' power-related needs in everyday life. POW focuses not only on cognitive beliefs about power but also on the behavioural expressions of these needs. It more directly reflects how consumers express their need for power through behaviour in different contexts within and outside institutional boundaries. Thus, POW is better suited to capture the practical and objective differences within institutional boundaries, especially when analysing consumer behaviour.

2.3.2. Convenience in rational *guanxi* consumer behaviour

Guanxi consumption can save time and energy, given that *guanxi* cultivation requires time, energy and money (Fan, 2002). Since everyone has limited time and energy, spending money seems a complementary way to cultivate *guanxi*. In our

measurement, two measurements are linked to our *guanxi* consumption. The service convenience scale, based on classical papers (Berry et al., 2003), is used as a guide to form our scale. Service convenience refers to consumers' perceptions of time and effort in relation to buying or using a service (Berry et al., 2003). Another scale is convenience orientation. However, the questions in that scale aim to test the convenience of cooking (Candel, 2001) and are not directly relevant to our scale's development. In our *guanxi* consumption, we focus on how easy it is to spend money in *guanxi* practice. The scale of convenience and *guanxi* consumption – the convenience component – share the same attributes, including words such as 'save time', 'save energy' and 'easy'. Thus, we combined these questionnaire items to create a convenience section in our *guanxi* consumption scale.

In the discussion of institutional boundaries, changes within and outside these boundaries are typically reflected through objective factors (Dolbec & Fischer, 2015). However, this is based on a broader objective, namely, the primary objective of *guanxi*-based consumer behaviour. While the overall goal of *guanxi* consumption may be consistent, the specific objectives within this context can vary. Here, we need to explore whether, in the context of *guanxi* consumption, some individuals prioritize saving time, while another group may be less concerned with time expenditure. Alternatively, certain groups may highly value the conservation of time and energy during the consumption process, whereas others might not have such clearly defined needs.

2.3.3. Price consciousness in rational *guanxi* consumer behaviour

Price is another component of rational consumption (Woods, 1960). In *guanxi* consumption, people tend to evaluate the cost of goods and services, such as cigarettes – the value of which is easily assessed by the recipient (M. Hu et al., 2012). There are various scales related to price: value consciousness, price consciousness, coupon proneness, sale proneness, price mavenism, price–quality schema and prestige

sensitivity (Lichtenstein et al., 1993). Price consciousness, coupon proneness and sale proneness test whether people's only concern is seeking low prices (Lichtenstein et al., 1993). Price mavenism tests whether the respondent is a price expert who enjoys searching for information about the price of a product or service (Lichtenstein et al., 1993). Price–quality schema and prestige sensitivity are considered reasons why people tend to pay high prices. People who rank highly on price–quality schema and prestige sensitivity see high prices as an indicator of quality or prestige.

The practices within and outside institutional boundaries may differ, but the key lies in whether these practices can reveal differences in consumer behaviour (Dolbec & Fischer, 2015). When discussing the understanding of price consciousness, price sensitivity is often more easily comprehended, as it is closely related to the focus on cost-effectiveness. In other words, consumers are concerned with whether their spending can maximise the maintenance and strengthening of their *guanxi* at the best possible value. Compared to price prestige, price prestige is related to the word 'price', a term which represents quality or prestige. Prestige is a typical component of symbolic consumption (SYM) (Strizhakova, Coulter and Price, 2008), which belongs to irrational consumption (Belk, 1995).

Therefore the price consciousness could be applied to our scale research. By approaching the issue in this manner, we can explore deeper into the role of price in *guanxi*-related consumption and explore how it influences consumer practices and decision-making both within and outside institutional boundaries. We saw how a higher consumption price might result in better *guanxi*; however, in reality, people cannot always afford the high cost (Y. Luo, 2009). In our case, people want the recipient to know the gift has value. Thus, the rational solution to choosing a low-price gift and gaining high satisfaction from our *guanxi* is, for example, to buy a luxury product at the lowest price so that the recipient only knows the product is expensive.

2.3.4. Symbolic consumption in irrational guanxi consumer behaviour

Recently, the researcher has focused more on irrational consumption, of which symbolic consumption (SYM) is one element (Belk, 1995; Paterson, 2006). SYM occurs when consumers choose, buy and use products to assist individuals in the creation, confirmation and communication of their identity (Belk, Bahn and Mayer, 1982; Bhat and Reddy, 1998). In literature, we aim to identify scales directly related to symbolism. However, we have only found one scale-related article that addresses the symbolic meaning of brand. This article explores the symbolic significance of brands and categorises them, including self-identity, group identity, and personal values (Strizhakova et al., 2008). Among these, group identity is closely related to the concept of guanxi consumer behaviour. The core of symbolism lies in attributing symbolic meanings to objective things (Crotty, 1998), and the role of brands in group identity fully demonstrates the significance of brands to the groups to which we belong. The symbolic meaning of guanxi consumption targets is similar, but our focus is not on brands but on the goods and services consumed⁷. We must explore whether our consumption aligns with our needs at different stages and within different interpersonal relationships. Therefore, we will partially draw on the group identity section of this article. In addition, we find it hard to compare scales through the institution as symbolic consumption only has one valid scale. The institution can impact the view of symbolism, as the score may vary in different groups.

⁷ Brand represents a product or service through a name, logo, or symbol, primarily involving identity recognition and emotional value; goods refer to tangible items that fulfill consumer needs or desires; services, on the other hand, are intangible consumption experiences that provide specific functions or utilities. While these three concepts differ in nature, they all play significant roles in symbolic consumption.

2.3.5. Hedonic value in irrational consumer behaviour

Hedonic value is the value people seek from emotional arousal (Hirschman & Holbrook, 1982). The emotional reactor is embedded in irrational consumption research (Belk, 1995; Paterson, 2006; Woods, 1960). To test hedonic value, we mainly focused on emotional arousal, including happiness, pleasure, excitement, etc. A maturity scale is used to test the hedonic effect (Jiang & Shan, 2018; Wiedmann et al., 2009). These articles primarily focus on the hedonic experiences of luxury goods, emphasising the emotional enhancement of luxury consumption. Guanxi consumer behaviour also offers numerous emotional benefits, such as relaxation and mood improvement. Therefore, we can draw on the hedonistic aspects addressed in these articles to refine our guanxi consumer scale. Similar as the symbolic, hedonic value will vary within and outside the institutional boundary.

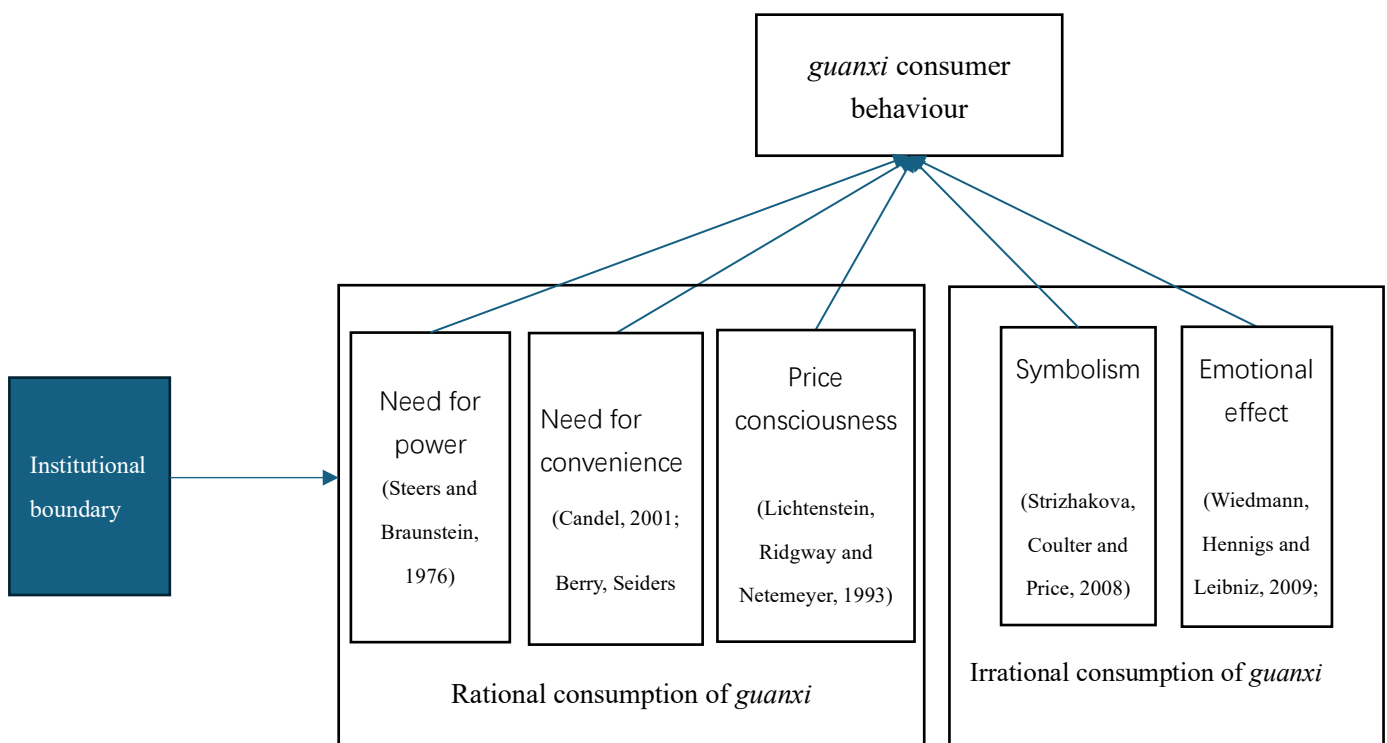


Figure 3.1 The relationship between insitutional boundary and rational and irrational guanxi consumer behaviour

2.4 The relationship between institutional boundary and typology of guanxi consumer behaviour.

The institutional boundary can be tracked based on typology of guanxi consumer behaviour. We introduced institutional theory into this study. Institutions theory in consumer behaviour contains the logic and boundaries that must be considered in the research design (Dolbec & Fischer, 2015). By adopting this framework, we ensure that the inherent rules and constraints of guanxi are systematically integrated into our analysis. Under the guanxi logic, Consumers use guanxi networks to access emotional and instrumental resources through consumption methods. The consumer has its institutional boundaries, such as education and social class. In our research we might use the consumer guanxi visiting frequency as institutional boundary to analysis rational and irrational guanxi consumer behaviour.

Guanxi consumer behaviour typology are not the institutional boundary. In Chapter Two, we introduced the categorisation of consumption into rational and irrational dimensions. We advocate for the simultaneous examination of both aspects, since guanxi consumption encompasses various attributes, including instrumental and emotional ones. This approach differs markedly from the institutional boundary framework, where consumers' social practices vary within and outside institutional settings. For example, in the fashion market, emerging consumers and contested consumers exhibit differences in their application of fashion ideologies, with their approaches potentially even conflicting. Moreover, every individual possesses both rational and affective capacities; however, the influence of different boundaries may lead to distinct behavioral trajectories.

3. Methodology

Based on our literature review, this study aims to develop a scale for measuring guanxi consumer behaviour based on institutional characteristics. Therefore, our discussion needs to address three key areas: research design, issues related to the research design, and the development of the scale itself. This approach will facilitate the measurement of guanxi costs in future research.

3.1. Research design

We proposed using scale development to achieve the first research aim. Measurement is a crucial aspect of scientific research, as it allows researchers to gain knowledge about various subjects and phenomena. Assigning numerical values to phenomena that are not directly measurable is possible. The measurement scale comprises sets of items that reflect levels of theoretical variables that are otherwise unobservable through direct means (DeVellis, 2017). The first chapter refers to two typologies with five determinants by reviewing various literature within the consumer behaviour area. However, it raised the question of theory application in management and theory practice. We must assign a numerical value to the rational and irrational guanxi consumer behaviour.

After implementing scale development, we will test cluster analysis on guanxi consumer behaviour. This will be applied to our assumption of the second research concern. Clustering is an essential task in data mining that can help identify patterns and groups within data sets. This involves partitioning data objects into subsets, or "clusters," based on their similarity or dissimilarity. Valid clusters should contain patterns that are more similar to each other than patterns in different clusters. Clustering algorithms are valuable tools for discovering new and exciting insights hidden within complex data sets (Frades & Rune Matthiesen, 2010). An institution's impact on

consumers often relies on a set of institutional work, and this work will create a boundary between the consumers (Dolbec & Fischer, 2015). This paper aims to examine the characteristics of institutions and determine the boundary of the guanxi consumer. Cluster analysis can be used to support the assumption of guanxi institutions. For instance, some consumers may have a greater family preference, while others may have a stronger business preference.

3.2. The discussion of scale development

The main discussion in the scale development includes item generation, content validity and psychometric analysis (Morgado et al., 2017). The deductive and inductive approaches are the first questions we should consider in the first step of item generation. The deductive approach relies on existing scales and a comprehensive literature review. Conversely, the inductive approach involves developing items based on qualitative information gathered from the target population. This information can be obtained through focus groups, interviews, expert panels, and other qualitative research methods (Hinkin, 1995; Kapuscinski & Masters, 2010; Morgado et al., 2017). In our research, we choose the deductive method. The previous chapter reviews show the typology of guanxi consumer behaviour in the theoretical construct. Then, we did not have reason to overturn our opinion. Instead of using 'guanxi' as a term for consumer behaviour classification, we use consumption typology, making it easier to find existing scales in the literature. Compared to the exclusively inductive methods, the deductive approach is generally preferred in research (Hensley, 1999; Hinkin, 1995; Morgado et al., 2017).

The second step of scale development is content validity. Expert and target reviews can ensure the validity of the content and construct (Hinkin, 1995; Morgado et al., 2017). The existing measurement did not directly link the meaning of guanxi

consumer behaviour. Thus, an expert panel was formed to help ensure the validity of the research content. Most recent studies prefer involving an expert panel to ensure content validity (Morgado et al., 2017). Following the guide, the pilot study has been generated to ensure construction and content validity (Spector, 1992).

The third step involves the psychometric analysis procedure, and the primary discussion revolves around whether to use exploratory factor analysis (EFA) or confirmatory factor analysis (CFA) (Hinkin, 1995; Morgado et al., 2017). The primary goal of factor analysis is determining the underlying structure among variables. The exploratory perspective “takes what the data gives you”, which is the test construct of a latent variable without any prior assumptions. On the other hand, the confirmatory perspective tests a theory by specifying constraints on the analysis of data, which is “what you give to the data”, such as the number or type of components to be extracted (Hair et al., 2014). In this research view, both EFA and CFA may combine advantages and avoid disadvantages. The CFA seems more connected to our context since Chapter One already scoped guanxi consumer behaviour. However, the EFA could also bring the preliminary factor loading for guanxi consumer behaviour to ensure the construct validity and reliability of the scale.

The way of cluster analysis needs to be discussed. Recall the second issue of the research: the institution has its boundaries (Dolbec and Fischer, 2015). We can set up categorical questions regarding education, income level, job position, and the connection in their social media for institutional boundaries. However, there are certain boundaries that we cannot comprehend beforehand, such as whether they prefer to spend more time with friends or family. We could use cluster analysis to test this question. The main discussion of cluster analysis is supervised or unsupervised cluster analysis. Clustering refers to the process of grouping data points based on their similarity. This process can be performed using either unsupervised or supervised

methods. Unsupervised clustering algorithms do not rely on predefined class labels to group data points. Instead, they identify patterns and similarities in the data set.

On the other hand, supervised clustering analysis uses prior knowledge and constraints to guide the grouping of data points in a relevant pattern (Frades and Rune Matthiesen, 2010). The *guanxi* pattern is very complicated due to different environments; some people like to stay with their parents as well as colleagues, and some people may only want to stay with friends. Although we intended to find underlying groups, we could only make boundaries after the test. An additional reason is that *guanxi* tends to be mixed in our first chapter, which means people's *guanxi* may get closer and closer, and the boundary of identity may disappear. In other words, some friends may be closer than the parents. Thus, this research needs to use unsupervised clustering.

Based on the discussion of methods, our research design basically solves 'how' and 'which' for *guanxi* consumer behaviour. In the previous section, we first analysed both rational and irrational consumption paradigms, then decided to use the existing scale as a grid, combining the literature review to create questionnaires. We utilised the Expert panel to ensure the content validity. We then used cluster analysis to create a control group (Latack, 1986). We cannot determine a classification in which different people think differently about their *guanxi*, in order to confirm the assumption of *guanxi* classification from the last chapter, we use cluster analysis of k-means, which is unsupervised learning (Hinton and Sejnowski, 1999; Pan, Shen and Liu, 2013). In other words, we cannot know what answer is produced after implementing this method. Cluster analysis can also help us group the various consumer segments. Principle Component Analysis (PCA) and Confirmatory Factor Analysis (CFA) are widely used in scale development (Sharma and Weathers, 2003; Strizhakova, Coulter and Price, 2008; Hong, Zhu and White, 2013; Schivinski, Christodoulides and Dabrowski, 2017).

The reason for using EFA and CFA is to adjust the question items to determine suitability for future tests. The EFA and CFA can also track the consumer's understanding of *guanxi* consumption. Finally, we use measurement invariance, which is widely applied in cross-cultural analysis (Strizhakova, Coulter and Price, 2008; Sharma, 2010). We can implement this method because different cultures can be seen as various groups of respondents (Steenkamp and Baumgartner, 1998). This method can help us further track the differences in understanding between the groups.

3.3. Item generation and refinement

3.3.1. Item generation

The literature presents various maturity scales for our five determinants. The research selected the most appropriate interpretations. This research uses the original scale structure to generate an initial set of 31 items. The items reflect the two main classifications of *guanxi* consumption: rational and irrational. Together, both consumptions comprised a total of five dimensions, three of which were related to rational consumption – the CON (Berry, Seiders and Grewal, 2003), PRI (Lichtenstein, Ridgway and Netemeyer, 1993c) and the POW (Steers and Braunstein, 1976) – and two to irrational consumption – SP (Strizhakova, Coulter and Price, 2008) and the EF (Li, Li and Kambele, 2012). Item generation relied on the popular and theoretical conceptions of rational and irrational consumption. Each dimension contained its maturity scale, and these existing items were converted into items of *guanxi* consumption.

3.3.2. Expert review

Once the items were generated, the six experts scrutinised the list of items to ensure the scale's content validity (DeVellis, 1991). The experts will provide individual feedback separately to prevent the mutual influence of opinions. The panel of experts consisted of three academic researchers and three individuals with over one thousand *guanxi* connections on their WeChat app. All three hold master's degrees, indicating a basic understanding of the scale's content validity (Tepper, Bearden and Hunter, 2001; Sin, Tse and Yim, 2005; Alvarado-Herrera et al., 2017). The experts evaluated for item elimination based on content ambiguity, uncorrelated items, and redundancy (Hardesty and Bearden, 2004). The experts assisted in creating a representative framework for the scale. After experts reviewed them, the 28 items were confirmed for use.

3.3.3. Study participants

The research implemented two studies: a pilot study and official research. The pilot study sample contained 374 respondents and 328 valid respondents. The sample included 228 (69.51%) males and 100 females (30.49%). The second test selected 1412 Chinese consumers who participated in the study. The data was cleaned in two stages. In the first stage, the survey company that owns the algorithm helped us clean data with similar answers and deleted unanswered questions, 1076 of test marked valid. In the second stage, we found that over 100 respondents had given contradictory answers caused by an item reverse scored. And the around the 200 tests finished below 200 seconds, which researcher cannot finish within 200 seconds. Finally, any invalid or incomplete questionnaires were rejected (42.6%), resulting in 810 valid questionnaires (64.28%). We collected categorical data pertaining to education level, age, workplace, gender, number of WeChat friends, the frequency of meeting the *guanxi* in the past half-year and family revenue spent. The three most important categories were age, the

number of WeChat friends and the frequency of meeting the *guanxi* in the past half-year. The participants ranged in age from 21 to 61 (7.81% were aged 21–25, 26.49% 26–30, 38.75% 31–35, 15.24% 36–40, 5.2% 41–45, 2.32% 46–50, 2.23% 51–55, 1.49% 56–60, 0.46% over 60). We did not receive any questionnaires from individuals who identified as students or under 21 years of age, because these individuals were unlikely to connect with all forms of *guanxi*. The categories of the frequency of meeting the *guanxi* in the past half-year could be termed ‘*guanxi* activeness’. The category of *guanxi* included 11 different forms of relationship, including parent, romantic partner, child, other relative, friend, subordinate–supervisor, teacher–student, colleague, government contact, client or business partner and people from the same hometown or university.

3.3.4. Polit study and refinement

This returned more in-depth interpretations, and we thus created a total of 28 items to assess *guanxi* consumption in terms of CON (5), PRI (5), POW (5), SYM (10) and EF (3). The reverse items are all changed back to the direct items, and the method will apply to all tests (Vigil-Colet, Navarro-González and Morales-Vives, 2020). Our question items focused on all the *guanxi* related to the respondents rather than on specific *guanxi*. For example, we are not asking for a respondent's *guanxi* with his or her mother but all the *guanxi*, such as parents, friends, etc. We assessed each item using a seven-point Likert scale: 1 = strongly disagree, 5 = strongly agree. The initial researcher and translator translated the question items from English to Chinese. Then, it was translated back by another translator into English to ensure both versions communicated the same meaning.

Table 3.2 Pre-test for initial 28 items

Question dimension	Number of items	Items above 0.4	Factor loading
Need for convenience	5	5	0.48–0.74
Price sensitivity	5	4	0.40–0.82
Need for power	5	5	0.42–0.66
Symbolic consumption	10	7	0.54–0.76
Emotional effect	3	3	0.60–0.79

We disseminated the survey questions online as a prototype and received 100 responses. Then, we assessed and deleted nine question items below the minimum standard of 0.4 that had been set explicitly for the prototype questionnaire. Of the total 28 questions, four were excluded. The factor loading of the remainder of the question items ranged from 0.42 to 0.82 (see Table 3.2). The rational consumption category had 14 related question items – CON (5), POW (5), PRI (4) – while the irrational consumption category contained ten – SYM (7), EMO (3) (See Appendix 1).

3.4. Institution boundary from cluster analysis

Our main objective was to identify the scale under the institutional boundary, which can also help us find a solid set of *guanxi* consumption scales from different clusters of *guanxi* activation. To complete our objective, we created two control groups before conducting a cluster analysis using the data category of ‘high frequency of meeting your *guanxi* in the past half-year’ (HFMG). We then used the whole dataset as one control group. Finally, we conducted PCA and CFA for all control groups and conducted a reliability analysis to determine the internal consistency across all question items.

In the first step, we used k-means clustering to create different groups according to the category data. As previously mentioned, we could not ascertain the differences related to *guanxi*; therefore, we used k-means clustering to confirm our assumptions. K-means clustering is essentially unsupervised learning (Hinton and Sejnowski, 1999), meaning we would not know what classifications would be produced once the algorithm had been applied. The cluster analysis largely depended on the categorical HFMG data to identify two groups, one with a higher frequency of meeting all their *guanxi* than the other. These groups were thus labelled the ‘high *guanxi* activeness’ (HGA) group and the ‘low *guanxi* activeness’ (LGA) group. The HGA group contained 366 respondents, and the LGA group contained 444 respondents. We also carried out Partition Around Medoids (PAM) cluster analysis, producing almost the same results, and subsequently labelled the groups as the ‘wide *guanxi*’ (WG) group and the ‘narrow *guanxi*’ (NG) group. The WG group contained 362 respondents, and the NG group contained 448 respondents.

In order to test the structure of the scale’s meaning, both Exploratory Factor Analysis (EFA) and Confirmatory factor analysis (CFA) measurements were applied. Both methods were used to test the correlation structure among the measured items using a small set of latent variables. The use of CFA was particularly appropriate, given our need to develop a measurement that enabled comparisons across multiple groups. This method also provided us with the necessary measurement invariance to test the different groups related to *guanxi* consumption (Singh, 1995; Kline, 1998; Sharma and Weathers, 2003; Steenkamp, Batra and Alden, 2003).

We discussed our methodology in three parts. The first part focuses on research design, where we developed a scale specifically designed to measure *guanxi* consumer behaviour, taking into consideration institutional boundaries. Guided by this concept, we employed a questionnaire survey method for scale development. We used cluster

analysis to test the institutional boundaries, comparing the understanding of guanxi consumer behaviour within and outside these boundaries. The second part addressed the issues encountered during the development of the scale. The design of the entire scale was deductive, utilising established scales for the research. In cluster analysis, we opted for an unsupervised approach. The third part detailed the entire scale design process, including a pilot study, the execution of item generation, expert reviews, and data collection.

4. Data analysis and results

4.1. Exploratory factor analysis

We first assessed the EFA of the scale using PCA with Promax rotation. This resulted in five factors that explained 58.77% of the variance. The factor loading of one question item related to symbolism was below 0.6, while the remainder of the factor-loading values ranged from 0.501 to 0.926. We then tested each control group, with all three groups returning different factor-loading values for various questions. Except for one question item below 0.5 (0.44), all other factor loadings were above 0.6 and ranged from 0.501 to 0.926 in the HGA and LGA groups. Similarly, Except for one question item below 0.5, the WG and NG groups contained good values of factor loading range from 0.514 to 0.924. The factor loading all above accepts a cutoff of 0.4, and most of them above 0.6 (Hair, J. F., W. C. and B. J., & Anderson, 2010).

Table 3.3 The PCA results

	HGA	LGA	WG	NG	Whole PCA
CON1	0.709	0.766	0.665	0.806	0.741
CON2	0.841	0.785	0.845	0.779	0.814
CON3	0.821	0.696	0.865	0.652	0.758
CON4	0.753	0.783	0.740	0.799	0.769
CON5	0.808	0.694	0.783	0.732	0.760
PRI1	0.880	0.926	0.889	0.924	0.908
PRI2	0.732	0.647	0.723	0.649	0.684
PRI3	0.886	0.908	0.884	0.917	0.904
PRI4	0.821	0.677	0.793	0.709	0.753
POW1	0.799	0.739	0.795	0.739	0.769
POW2	0.796	0.759	0.809	0.755	0.778
POW3	0.700	0.734	0.709	0.725	0.728
POW4	0.741	0.808	0.755	0.803	0.792
POW5	0.766	0.697	0.759	0.707	0.739
SYM1	0.598	0.669	0.591	0.677	0.637
SYM2	0.661	0.775	0.674	0.769	0.736
SYM3	0.776	0.740	0.767	0.754	0.773
SYM4	0.688	0.684	0.701	0.667	0.688
SYM5	0.501	0.693	0.514	0.691	0.630
SYM8	0.44	0.664	0.469	0.662	0.597
SYM10	0.582	0.559	0.597	0.534	0.575
EMO1	0.784	0.840	0.780	0.842	0.825
EMO2	0.787	0.810	0.794	0.814	0.818
EMO3	0.780	0.855	0.783	0.860	0.835
KMO	0.818	0.829	0.818	0.831	0.845
Bartlett					
sphere(p)	0.000	0.000	0.000	0.000	0.000
Cronbach's α	0.815	0.827	0.821	0.821	0.823

The validity of the KMO and Bartlett test of sphericity represented very good value (See Table 3.3). The KMO is 0.845, which is above the threshold of 0.8. The p-value of the Bartlett test of sphericity is statistically significant. At the same time, the reliability of the entire survey yielded a good Cronbach's α of 0.823, which was above the upper threshold of 0.8 (Cortina, 1993; Cho and Kim, 2015, Nunnally, 1978; Hair, J. F., W. C. and B. J., & Anderson, 2010). Compared to the other four groups, the KMO is all above 0.8, ranging from 0.818 to 0.845. The Bartlett test of sphericity has statistical

significance. The Cronbach's α is varied from 0.815 to 0.827, which all above threshold of 0.6.

4.2. Confirmatory factor analysis

We apply all the factors guided from the PCA to conduct multi-group CFA with five derived latent factors by using Rstudio: CON, PRI, POW, SYM and EMO, all factor loading above acceptable level of 0.5 (Hair, J. F., W. C. and B. J., & Anderson) (See the Table 3.4). We found that the goodness of fit – χ^2/df ratio = 2.42, CFI = 0.94, TLI = 0.932, RMSEA = 0.044, GFI = 0.936, AGFI = 0.921, SRMR = 0.046 – indicated that the model was good, with values of greater than or equal to 0.90 for CFI, TLI, GFI and AGFI and less than 0.08 for RMSEA and SRMR (Hair, J. F., W. C. and B. J., & Anderson). The cut-off values of the χ^2/df ratio were between one and three (Hu and Bentler, 1999). All 24 question items were reserved in the model, with the rational consumption category containing 11 – CON (5), POW (5), PRI (4) – and the irrational consumption category containing seven – SYM (7), EMO (7).

Regarding the WG cluster group, we also used the PCA results (whole PCA dataset) as the guide for the CFA. The one question item from SYM (SYM10) bellowed the 0.5, which is acceptable (P. Sharma, 2010). The CFA of WG group indicated that the total goodness of fit – χ^2/df ratio = 1.80, CFI = 0.932, TLI = 0.923, RMSEA = 0.047, GFI = 0.91, AGFI = 0.888, SRMR = 0.054 – above the acceptable level in the cross-group analysis (Strizhakova, Coulter and Price, 2008). All 24 question items were reserved in the model. Compare to the NG cluster, the CFA results indicate an acceptable goodness of fit – χ^2/df ratio = 2.08, CFI = 0.927, TLI = 0.917, RMSEA = 0.049, GFI = 0.923, AGFI = 0.892, SRMR = 0.056. The factor loadings are all above the acceptable level of 0.5. All 24 question items were reserved in this group.

Table 3.4 The CFA results

	HGA	LGA	WG	NG	Whole
CON1	0.734	0.692	0.697	0.722	0.702
CON2	0.739	0.718	0.730	0.731	0.731
CON3	0.705	0.643	0.721	0.635	0.679
CON4	0.715	0.662	0.703	0.678	0.689
CON5	0.781	0.631	0.771	0.647	0.705
PRI1	0.896	0.927	0.906	0.913	0.909
PRI2	0.630	0.560	0.600	0.590	0.595
PRI3	0.863	0.832	0.857	0.842	0.849
PRI4	0.690	0.566	0.661	0.595	0.624
POW1	0.757	0.631	0.759	0.641	0.696
POW2	0.801	0.663	0.813	0.659	0.733
POW3	0.595	0.710	0.617	0.696	0.663
POW4	0.695	0.734	0.697	0.735	0.720
POW5	0.655	0.646	0.651	0.641	0.650
SYM1	0.601	0.608	0.610	0.609	0.611
SYM2	0.527	0.607	0.536	0.597	0.576
SYM3	0.580	0.701	0.581	0.701	0.660
SYM4	0.494	0.614	0.524	0.603	0.582
SYM5	0.540	0.622	0.524	0.628	0.599
SYM8	0.522	0.637	0.526	0.637	0.603
SYM10	0.487	0.552	0.489	0.543	0.528
EMO1	0.678	0.754	0.612	0.763	0.753
EMO2	0.720	0.745	0.694	0.740	0.726
EMO3	0.675	0.727	0.612	0.741	0.713
X ²	459.854	499.772	435.821	505.267	628.23
df	242	242	242	242	242
X ² /df	1.90	2.06	1.80	2.08	2.59
CFI	0.927	0.926	0.932	0.927	0.940
TLI	0.916	0.916	0.923	0.917	0.932
RMSEA	0.050	0.049	0.047	0.049	0.044
GFI	0.906	0.912	0.910	0.912	0.936
AGFI	0.883	0.890	0.888	0.891	0.921
SRMR	0.055	0.056	0.054	0.056	0.046
n	366	444	362	448	810

We then conducted CFA in terms of the HGA group, with the question items that had passed the PCA test showing an acceptable goodness of fit – χ^2/df ratio = 1.9, CFI = 0.927, TLI = 0.916, RMSEA = 0.050, GFI = 0.906, AGFI = 0.883, SRMR = 0.055.

There are two factors loading from dimension of SYM bellowed the 0.5, which close to the acceptable level (P. Sharma, 2010). Compared to the LGA group, the question items that had passed the PCA test also meet the acceptable level of goodness of fit – χ^2/df ratio = 2.06, CFI = 0.926, TLI = 0.916, RMSEA = 0.049, GFI = 0.906, AGFI = 0.883, SRMR = 0.055. The factor loading all above the 0.5 which met the acceptable level. All 24 question items were reserved in this group.

4.3. Validity and reliability

The validity and reliability of CFA contain several steps (See the Table 3.5). The first step is testing the convergent validity, which is calculated by the average variance extracted (AVE). Our AVE is mostly above 0.4, which is heading to an acceptable level (Hair, J. F., W. C. and B. J., & Anderson). Part of AVE in the dimension of SYM around 0.3 also can be accepted (Lam, 2012) because the question of symbolism is long (see the appendix). The AVE in HGA and WG show more convergent validity compared to LGA and NG. The second step is to test the composite reliability (CR), which tests the reliability within one dimension. All of CR above 0.7, and most of the numbers are above 0.80, which is mainly above the threshold of 0.6 (Hair, J. F., W. C. and B. J., & Anderson).

Table 3.5 AVE and CR values for both group										
Factor	AVE (HGA)	CR (HGA)	AVE (LGA)	CR (LGA)	AVE (WG)	CR (WG)	AVE (NG)	CR (NG)	AVE (Whole)	CR (Whloe)
Con	0.541	0.855	0.449	0.802	0.526	0.847	0.467	0.814	0.492	0.829
Pri	0.605	0.857	0.546	0.821	0.588	0.847	0.561	0.831	0.573	0.838
Pow	0.496	0.830	0.459	0.809	0.506	0.835	0.456	0.807	0.480	0.822
Sym	0.289	0.738	0.386	0.814	0.295	0.744	0.382	0.812	0.353	0.792
Em	0.478	0.733	0.551	0.786	0.475	0.731	0.560	0.792	0.534	0.775

The last step is discriminate validity, which tests the difference of each dimension. Most of the CFA factor loadings were above 0.6, and the square root of the average variance extracted (0.594–0.757) was more significant than the correlation of all factors (See Table 3.6), indicating discriminant validity (Fornell & Larcker, 1981).

Table 3.6 Discriminant Validity

AVE	Convenience	Price	Power	Symbolic	Emotion
Convenience	0.701				
Price	0.369	0.757			
Power	0.157	0.071	0.693		
Symbolic	0.193	0.099	0.164	0.594	
Emotion	0.118	0.006	0.311	0.316	0.731

The square root of AVE is represented in the colour blue

4.4. Measurement invariance

The measurement invariance for the two control groups allowed us to further determine the differences within each group (see Table 3.7). Three measurements were conducted for both control groups: configural, metric, scalar invariance and residual invariance. The initial five factors with 24 question items have been applied to the test.

Regarding the WG/NG control group, the four factors with 24 question items showed a good fit of configural invariance: $\chi^2 = 941.087$, $df = 484$, $\chi^2/df = 1.94$, $RMSEA = 0.048$, $SRMR = 0.053$, $CFI = 0.929$, and $TLI = 0.920$. The metric invariance also demonstrated a good fit: $\chi^2 = 978.5$, $df = 503$, $\chi^2/df = 1.95$, $RMSEA = 0.048$, $SRMR = 0.056$, $CFI = 0.925$, and $TLI = 0.919$. The scalar invariance showed: $\chi^2 = 1006.821$, $df = 522$, $\chi^2/df = 1.93$, $RMSEA = 0.048$, $SRMR = 0.057$, $CFI = 0.925$, and $TLI = 0.921$. Lastly, the residual invariance showed $\chi^2 = 1006.821$, $df = 522$, $\chi^2/df = 1.93$, $RMSEA = 0.048$, $SRMR = 0.057$, $CFI = 0.925$, and $TLI = 0.921$ (L. T. Hu & Bentler, 1999; Wheaton et al., 1977).

Table 3.7 Confirmatory factor analysis and cross-group measurement invariance

WG/NG	χ^2	df	χ^2/df	RMSEA	SRMR	CFI	TLI
Configural Invariance	941.087	484	1.940	0.048	0.053	0.929	0.920
Metric Invariance	978.5	503	1.95	0.048	0.055	0.927	0.919
Scalar Invariance	1006.821	522	1.93	0.048	0.056	0.925	0.921
Residual Invariance	1063.476	546	1.95	0.048	0.057	0.920	0.919
HGA/LGA	χ^2	df	χ^2/df	RMSEA	SRMR	CFI	TFL
Configural Invariance	959.625	484	1.98	0.049	0.054	0.926	0.916
Metric Invariance	999	503	1.99	0.049	0.056	0.923	0.916
Scalar Invariance	1029.617	522	1.97	0.049	0.057	0.921	0.917
Residual Invariance	1085.587	546	1.99	0.049	0.058	0.916	0.916

Regarding the HGA/LGA group, the four factors with 24 question items showed a good fit of configural invariance: $\chi^2 = 959.625$, $\text{df} = 484$, $\chi^2/\text{df} = 1.98$, $\text{RMSEA} = 0.049$, $\text{SRMR} = 0.054$, $\text{CFI} = 0.926$, and $\text{TLI} = 0.916$. The metric invariance also demonstrated a good fit: $\chi^2 = 999$, $\text{df} = 503$, $\chi^2/\text{df} = 1.99$, $\text{RMSEA} = 0.049$, $\text{SRMR} = 0.056$, $\text{CFI} = 0.923$, and $\text{TLI} = 0.916$. The scalar invariance showed: $\chi^2 = 1029.617$, $\text{df} = 522$, $\chi^2/\text{df} = 1.97$, $\text{RMSEA} = 0.049$, $\text{SRMR} = 0.057$, $\text{CFI} = 0.921$, and $\text{TLI} = 0.917$. Lastly, the residual invariance showed $\chi^2 = 1085.587$, $\text{df} = 546$, $\chi^2/\text{df} = 1.99$, $\text{RMSEA} = 0.049$, $\text{SRMR} = 0.058$, $\text{CFI} = 0.925$, and $\text{TLI} = 0.921$.

4.5. Cross analysis

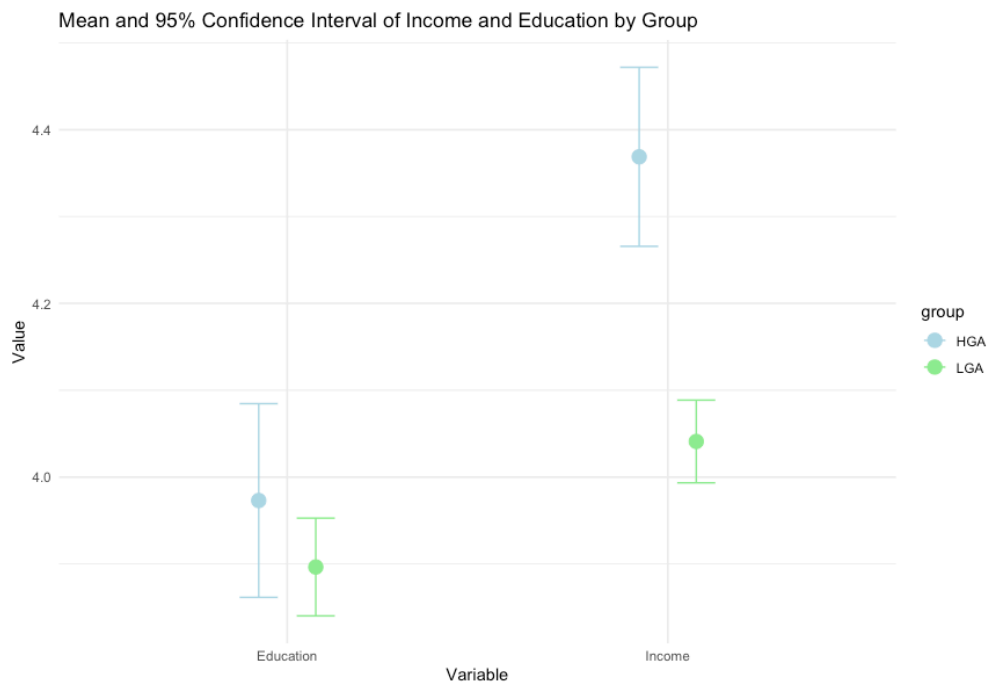


Figure 3.2 The Confidence interval plot of HGA and LGA

It was necessary to increase the scope of the HGA and WG groups, as the goodness of fit and reliability results were greater than those of the LGA and NG groups. Thus, a cross-analysis was conducted to increase the scope of the groups. There was no difference between the HGA and LGA groups in terms of age, gender, or workplace. However, there were significant differences in income and education, with p -values lower than 0.05 (see Figure 3.2). In the HGA group, almost all respondents had a bachelor's degree, with a mean of 4.03; in the LGA group, the mean was 3.9.

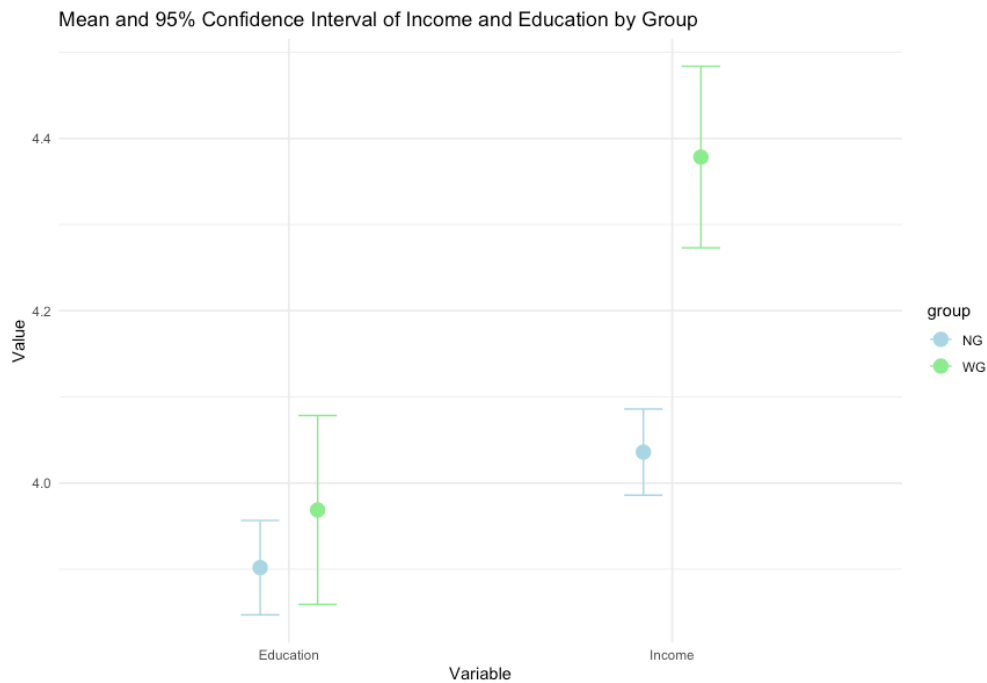


Figure 3.3 The Confidence interval plot of WG and NG

Same as the HGA and LGA group. The consumers' income levels in the WG group were significantly higher than in the NG group. However, there was no difference between the groups regarding education, age, gender, or workplace.

The data analysis is divided into three parts. Initially, this paper employs Exploratory Factor Analysis (EFA) to analyse the entire scale, revealing that guanxi consumer behaviour can be categorized into five groups, with all data falling within acceptable ranges. Subsequently, Confirmatory Factor Analysis (CFA) is utilised to validate the behaviour of guanxi consumers, finding that most conditions and all goodness of fit indices are within acceptable limits. Both EFA and CFA analyses demonstrate that the data from the high guanxi activity and broad guanxi groups are superior to those from the low guanxi activity and narrow guanxi groups, thus proving the effectiveness of the grouping. Additionally, a consistency analysis of the entire scale reveals that only scalar invariance did not meet the expected values. Finally, by distinguishing between different groups based on education and income, it is found that

individuals with higher incomes are more inclined to belong to the high guanxi activity and wide guanxi groups.

5. Discussion and implication

5.1. General result discussion

In the first chapter, we established that institutions in China create an environment for guanxi, and we attempted to use a theoretical approach to support the existence of guanxi consumption. This chapter aims to explore the measurement of guanxi consumer behaviour. We seek to answer the question of how guanxi consumers think about their behaviour, and we strive to find the logic behind it. We take an empirical perspective to provide evidence for the existence of guanxi consumption. We also consider the boundary of guanxi institutions and use cluster analysis to classify different groups of guanxi consumers. We found that the results of different clusters confirm the existence of the institutional boundary, which are high guanxi activation cluster and low guanxi activation cluster. We found that both groups have different understandings, which may trigger different practices. Finally, the research analysis the difference in understanding the logic of guanxi consumption between the groups and discuss the measurement that can be applied across them.

The all respondents understood the logic of guanxi consumer behaviour. The understanding of guanxi consumption throughout the sample was good. The need for convenience in the PCA analysis is all above 0.5, which indicates that the consumer understood the logic of the question items (Hair, J. F., W. C. and B. J., & Anderson, 2010). The price sensitivity is also above 0.5. The need for power EFA scores ranges from 0.739–0.792. Consumers' need for power in guanxi consumer behaviour has also been accepted. Item 8 in symbolic meaning is below 0.5, and the rest of the factor

loadings exceed 0.5. The result indicated the consumer understands that *guanxi* sometimes contains certain symbols that must be considered. The emotional value score indicates the consumer understands the *guanxi* consumer needs happiness. The PCA factor loading was mainly above the threshold of 0.5. Thus, our concept of *guanxi* consumption involved two classifications – rational and irrational – with a total of five dimensions containing 24 questions (See Table 3.2, Whole PCA). We ran the CFA to confirm the logic of *Guanxi* consumer behaviour. Meanwhile, the total score of the CFA confirmed that the *Guanxi* consumer can be fully understood by respondent. The price-sensitive section contained specific problems that we needed to group, and a later section will discuss the result.

The second consideration we must discuss is the institutional boundary of *guanxi* consumer behaviour. The institutional boundary distinguishes categories of actors, objects, practice, and space (Lawrence and Suddaby, 2006; Dolbec and Fischer, 2015). As the first chapter discussed, we could not use the taxonomy of *guanxi* to classify *guanxi* consumption. In other words, the first chapter rejected there is a clear boundary between different *guanxi* types. The reason is as follows: first, the *guanxi* follows the Chinese philosophy of holistic duality. Second, various individuals have different views regarding their *guanxi*. Finally, the study of *guanxi* is rare within the field of consumption research. Then, we attempted to use the unsupervised cluster analysis to find the boundary. The researcher focused on ascertaining whether *guanxi* is a family/non-family or instrumental/social affective (C. C. Chen et al., 2013; C. F. Yang, 1999, 2001). However, the respondents only formed two clusters: those with a wide *guanxi* connection and those with a narrow *one*. We did not find one cluster with individuals who only prefer to communicate with non-family. On average, the frequency of individuals who communicated with family and non-family in the wide *guanxi* cluster was higher than in the narrow *guanxi* cluster.

Moreover, in the narrow *guanxi* cluster, individuals only tended to maintain a basic connection with family and colleagues. While general *guanxi* research can be classified in terms of family/non-family, etc., and abstracted from the real world, it can be reasonably argued that *guanxi* consumption research cannot. In short, *guanxi* consumption primarily relates to personal behaviours, and fewer individuals may interact only with family or business associates. Thus, the cluster analysis results partially support the assumption proposed in the first chapter that *guanxi* cannot form specific classifications, at least at the consumer behaviour level.

We conducted both PCA (see Table 3.2) and CFA (see Table 3.3) to identify further evidence and compare different understandings between the clusters. The PCA returned different results for the different cluster groups, and we found that those with a WG and HGA had a greater understanding of *guanxi* consumption than those with an NG and LGA, due to the valid number of AVE in HGA and WG are more. In terms of the CFA, if we only consider the factor loading, we can conclude that those in the LGA and NG groups better understand the irrational consumption of *guanxi*, with the question items related to symbolism having a more significant level. The reason is that the narrow and low *guanxi* activate groups focus more on the *guanxi* surrounding them daily. These surrounding *guanxi* is important which need more care and bring happier. Compared to the WG and HGA groups, they must meet more *guanxi*, they must understand rational *guanxi* consumer behaviour more, otherwise they cannot manage these *guanxi* accordingly.

Since HGA and WG represent groups characterised by higher *guanxi* activity and broader *guanxi*, they are more frequently engaged in *guanxi* contexts. Consequently, groups with high *guanxi* activity and broad *guanxi* are driven to consider how consumption can improve the success of their *guanxi* interactions. In doing so, they naturally think about reducing costs and taking the initiative to make their *guanxi* more

efficient. This is why they develop a more consistent understanding of *guanxi* consumption.

In addition, a simple T-test demonstrated that the group with higher *guanxi* consumption had a high level of income and education, which are indicators of social prestige. Therefore, *guanxi* consumption exists more among the high social prestige group. Thus, those with less *guanxi* consumption experience may have yet to develop a concept of PS. This evidence suggests that the understanding of institutional logic regarding *guanxi* consumption varies depending on group boundaries.

Although we find a different understanding of *guanxi* consumer behaviour across the group, the measurement invariance shows the scale can apply to all the group. Because, the research passed all the test of the measurement invariance test. We conducted more rigorous research through confirmatory invariance analysis to ascertain which question items could be extracted to analyse all the groups (see Table 3.5). Here, we extracted the 12 question items with a factor loading above the threshold in all cluster groups. We found that the goodness of fit was above the acceptable level in the configural and metric invariance tests. However, the goodness of fit in the scalar invariance test was below the threshold. These results indicate that both groups had a similar understanding in relation to the 12 questions but had different systematic orientations (L.Putnick & H.Bornstein, 2016). For example, the non-invariance of an item intercept for CON1 would mean that the individuals had a higher convenience requirement in the HGA group, but an increased CON1 was not related to an increased level of the CON in the LGA group.

In comparison to the cross-culture analysis (Strizhakova, Coulter and Price, 2008; Sharma, 2010), the measurement invariance for our research focused on finding the actual differences between HGA or LGA and WG or LG groups. To conduct cross-

culture analysis, the researcher needs an invariance of the scale across a different sample group. Our research demonstrates that the HGA/WG and LGA/LG groups present the same understanding but different answers to *guanxi* consumption. The HGA and WG groups have higher *guanxi* operations and thus should be considered more for *guanxi* consumption, which is not counterintuitive. In the CFA and PCA analysis, the HGA/WG group has better goodness of fit and factor loading than the LGA/WG group, confirming that *guanxi* consumption does exist.

Overall, the evidence demonstrated that the scale of *guanxi* consumption would be applicable for high *guanxi* activation and wide *guanxi* connection. The HGA and WG understand the rational *guanxi* consumer behaviour more than LGA and NG. and LGA and NG understand irrational *guanxi* consumer behaviour more than HGA and NG. According to the measurement invariance results for all the question items, all 24 questions could be selected for testing *guanxi* consumption across the all the groups (See the appendix).

5.2. Theoretical implications

This paper confirms five dimensions of *guanxi* consumer behaviour and validates the classification concept of *guanxi* consumption proposed in the previous chapter. In the first chapter, we noted the difficulties of classifying *guanxi* consumer behaviour using traditional *guanxi* types. However, our empirical measurements reveal that consumer behaviour is more accurately distinguished by levels of high activation versus less activation rather than the traditional familial versus non-familial classifications. These findings challenge conventional theoretical perspectives and introduce a new dimension to our understanding of *guanxi* consumption. Furthermore, the results pertaining to the five dimensions of *guanxi* consumer behaviour enrich our understanding of this phenomenon. These findings reveal a more detailed structure of

consumer behaviour and provide a reliable measurement tool for future research in guanxi consumption. This tool will enable more precise tracking of dynamic changes in guanxi consumer behaviour and facilitate the exploration of the underlying social and psychological mechanisms. Through such theoretical and empirical advancements, this study paves new pathways for understanding and predicting guanxi consumption behaviours, thereby advancing and refining the theoretical framework in this field.

Previous scales for institutional consumption often obscured the actual significance of institutions, such as neglecting their distinctive features (see example: Balderjahn *et al.*, 2013). In contrast, our scale considers the characteristics of institutional boundaries and measures based on these different boundaries. This approach shifts our theoretical perspective from studying similarities to exploring differences within institutions. Our past tests typically relied on a single scale to assess all populations, which, although potentially unveiling new measurement mechanisms, ignored the inherent differences within institutions—differences that are crucial to study. Even within an institution, interpretations can vary (Dolbec and Fischer, 2015). Through this article, we observe that the same institution can exhibit varying interpretations under the influence of different boundaries. This itself highlights the nature of institutions; they are socially constructed concepts and do not exhibit the widespread characteristics typical in psychological scales. This is also why we distinguish between status consumption and conspicuous consumption, as status is more often embedded within hierarchical systems, while conspicuous consumption can exist outside these systems (O’Cass & McEwen, 2004). Therefore, in future institutional research, having verified the diverse interpretations of institutions, we need to delve more into distinguishing these differences in empirical studies.

Although our study on guanxi consumption is characterised by rational considerations, this is due to the inherent attributes of guanxi within Chinese institutions,

which result in a certain mixture of special circumstances that make these characteristics inseparable. Our research has demonstrated the holistic duality of guanxi institutions (P. P. Li et al., 2019); even within our classifications, we can only distinguish between high-activation and low-activation groups. Thus, we have adopted both rational and irrational perspectives to examine guanxi consumer behaviour. At the same time, we can propose some bold hypotheses, such as the idea that consumption is influenced by institutions and possesses certain economic perspectives. For instance, economic perspectives have already been suggested in the field of sustainable consumption and status consumption (Balderjahn, Buerke, et al., 2013; Goldsmith et al., 2010).

In addition to existing literature evidence, we argue that institutions are fundamentally constructed through interpersonal relationships. Based on our research, guanxi consumer behaviour inherently includes rational or economic perspectives; given that human relationship in constitute the core of institutional formation, it is reasonable to believe that many institutions also possess rational characteristics. For instance, is status consumption solely characterised by irrationality? In the consumption processes involved in integrating oneself into specific social class, considerations such as cost efficiency are also evident. This perspective challenges the traditional view that institution-based consumption is exclusively driven by irrational factors, thereby offering a theoretical contribution to understanding the holistic duality between institutions and economics. Therefore, our study on institutional-based consumption contributes theoretically to understanding the holistic duality of institutions and economics.

5.3. Managerial implication

China is one of the biggest markets in the world. Culture is one of the most critical considerations for consumer behaviour, and recent research has been dedicated to better understanding the cultural aspect (Arnould & Thompson, 2005). Within Chinese culture, *guanxi* must be considered by most companies that wish to develop products in China. When local or global companies want to sell their products in China, our scale can help marketers track changes in *guanxi* culture. For instance, *Honour of Kings* is China's most successful mobile game, and many others belong to the same genre. One reason for its success is that Tencent Games, the company that produced it, is considered the *guanxi* of consumers. People who play this game do so because their friends, their boss, or even their family members play (G. Wang et al., 2021); in other words, 'I play this game because my girlfriend plays it, or my friend plays it'. This is the power of *guanxi* consumption. Tencent is the developer of China's most extensive instance message (WeChat), containing almost all Chinese *guanxi* networks (Shao and Pan, 2019). The game can access WeChat's friend relationships, allowing players to directly invite their WeChat contacts into the game. Thus, this game highly depends on *Guanxi*. Hence, no other company has yet been able to replicate Tencent's success. This research has paved the way for marketers to develop their products based on attributes of *guanxi* consumption, particularly since consumers say, 'I consume or experience this service or product because of my *guanxi*'. They can replace the words in the '*guanxi* consumption' questionnaire with their product or brand name. Furthermore, if a product targets people with a high income or education level, then *guanxi* should be considered as one component of the product.

This paper extensively develops a scale for the five dimensions *guanxi* consumer behaviour, which has implications for future theoretical and practical management. The previous chapter pointed out that using traditional *guanxi* types to categorise consumer

behaviour has certain limitations. Based on the empirical data in this study, distinguishing consumer behaviour by high and low activity levels has proven to be more accurate than the traditional familial versus non-familial classifications. This finding challenges the existing theoretical frameworks and introduces new dimensions to the understanding of guanxi consumer behaviour. The article further explores the five dimensions of guanxi consumption, establishing a richer understanding of the complex structure of consumer behaviour. Additionally, the study enhances our understanding of institutional theory by integrating and providing theoretical support for the inherent characteristics of institutions. By combining theoretical and empirical research advancements, this study offers new perspectives for understanding and predicting guanxi consumption behaviour and introduces rational and economic viewpoints under institutional influences. These perspectives will facilitate further exploration of consumer behaviour under institutional impacts. The advancements are particularly important for marketers, as they help better understand consumer behaviour and tailor marketing strategies based on consumers' social networks and motivations. In summary, this research not only provides an in-depth analysis of guanxi consumption but also sets new directions for future research in related fields.

6. Conclusion, limitations and future research

In conclusion, this study has explored the measurement of guanxi consumer behaviour, a unique consumption pattern in Chinese culture where individuals use products and services to manage relationships. We have developed a comprehensive measurement tool by acknowledging the institutional perspectives that influence consumer behaviour. This tool helps identify consumer perceptions and the extent to which different groups rely on guanxi for relationship development. Our research confirms that guanxi consumption extends beyond individual self-extension to encompass social relationships, highlighting consumption variability across different relationship stages. The findings provide valuable insights for both theoretical and

practical implications, enabling businesses to tailor their marketing strategies to better meet consumers' rational and emotional needs within the context of *guanxi*. This study also helps future institutional research to combine the institutional framework into their research rigorously.

However, future research can improve this work in many ways. First, this research used an online survey to find evidence of *guanxi* consumption. However, online sample distribution may not correspond to the total population, particularly people aged 40 and over. These people may have intensive *guanxi* consumption because they naturally have a higher income at this age. Second, the rational and irrational consumption of *guanxi* may have more sub-components. Our screening system for sub-components in *guanxi* and consumption must be mentioned. Nevertheless, more sub-components remain. Thus, future research could add more sub-components under this framework. Third, the scale contains some very long questions. We could not form a short survey to encompass all types of *guanxi* because the topic is complex, and everyone has different *guanxi*. Now that *guanxi* consumption has been acknowledged, researchers could create shorter questions, which may result in better statistical scores in the future.

In future, researchers could apply this scale to further theoretical exploration. The next step could be to discover what causes *guanxi* consumption at an individual level. This is currently a gap in the research. To our knowledge, political institutions may influence *guanxi* behaviour (Guo & Li, 2015; Harding, 2014; L. Li, 2011; Y. Luo, 2008; Xin & Pearce, 1996; Yuen, 2014). *Guanxi* consumption is an essential behaviour in *guanxi* operations. We could explore political influences on *guanxi* consumption. Moreover, *guanxi* consumption affects not only China's culture but also Korean (Horak & Taube, 2016) and Russian culture (Michailova & Worm, 2003); the entire Eastern world has different human relationships. A cross-national analysis could improve the

consumption of human connections, which means marketers need to consider not only personal characteristics but also the characteristics of human relationships. Finally, future research could use our scale to test just one type of *guanxi*, such as parent-child. In short, our scale could clarify every kind of *guanxi* in consumption.

7. Reference

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8. Appendix (Guanxi consumer behaviour)

Convenience: Rationality

Con 1. When developing, maintaining, and utilizing my personal relationships, I tend to choose more convenient consumption methods.

Con 2. When developing, maintaining, and utilizing my personal relationships, I tend to choose more energy-saving consumption methods.

Con 3. When developing, maintaining, and utilizing my personal relationships, I tend to choose more time-saving consumption methods.

Con 4. When developing, maintaining, and utilizing my personal relationships, I tend to choose simpler consumption methods.

Con 5. When developing, maintaining, and utilizing my personal relationships, I tend to choose more worry-free consumption methods.

Price Sensitivity: Rationality

PRI 1. When spending money on my guanxi, such as for banqueting, gift-giving, and hanging out, I prioritise cost.

PRI 2. When spending money on my guanxi, such as for banqueting, gift-giving, and hanging out, I ensure good value for spending.

PRI 3. When spending money on my guanxi, such as for banqueting, gift-giving, and hanging out, I do not mind the price. (*Note this is a reverse statement*)

PRI 4. Even when dealing with important guanxi, it is necessary to be mindful of spending.

Need for Power: Rationality

POW 1. I will be the one who takes charge in the relationship when I spend for my relation (e.g. various entertaining, dinning and gift-giving)

POW 2. I will be the one who dominates when I spend for my relation (e.g. various entertaining, dinning and gift-giving)

POW 3. I will be the one who has an influence on others in the relationship when I spend for my relation (e.g. various entertaining, dinning and gift-giving)

POW 4. I will be the one who gains more leadership in the relationship when I spend for my relation (e.g. various entertaining, dinning and gift-giving)

POW 5. I will be the one who can guide others better in the relationship when I spend for my relation (e.g. various entertaining, dinning and gift-giving)

Symbolic consumption

SYM 1. When I choose to spend on guanxi (such as entertainment, dining, and gift-giving), I value whether these products or services can express my sentiments (such as love, care, sincerity, etc.) to the other person.

SYM 2. When I choose to spend on guanxi (such as entertainment, dining, and gift-giving), I do not care about the other person's feelings. (*Note this is a reverse statement*)

SYM 3. I avoid purchasing or using products or services that fail to convey any sentiments (like love, care, or sincerity) to prevent the recipient from feeling confused.

SYM 4. I avoid purchasing or using products or services that might be misunderstood, to prevent any misconceptions about my intentions.

SYM 5. When I choose to spend on guanxi (such as entertainment, dining, and gift-giving), I focus on whether these products or services can make the other person feel my sentiments (like love, care, sincerity, etc.).

SYM 8. When spending with my guanxi, I focus on the sentiment of the selected goods and services, which need to be appropriate for the current stage of our relationship.

SYM 10. I avoid choosing goods and services that are not suitable for the current stage of our guanxi to maintain and develop our connection, preventing any misunderstandings of my intentions. (For example, giving a ring to a casual acquaintance of the opposite gender could be misconstrued as a romantic gesture.)

Emotional effect

EMO1. Consuming with my relationship will make me feel cheerful.

EMO2. Consuming with my relationship will make me feel happy.

EMO3. Consuming with my relationship will make me feel great

Chapter Four : The Impact of Normative and Cognitive Institutions on Guanxi Consumer Behaviour

1. Introduction

The impact of related institutional context on guanxi consumer behaviour needs to be identified. In chapter two and three, we reviewed the literature on guanxi, developed the concept of guanxi consumption, and created measurement tools for assessing guanxi consumer behaviour. In the literature review in Chapter Two, we discovered that several studies highlight the close relationship between institutions and guanxi consumption. However, these studies often conflate aspects of guanxi consumer behaviour, such as renqing (Liu, 2008; Lu, 2012; Tong, Toppinen and Wang, 2021), mianzi (Shi et al., 2010; Masson, Sánchez and Celhay, 2017; Fu et al., 2021), and sustainability (Fabinyi, 2018; Wang et al., 2022). Consequently, we conducted tests on the relationship between these institutional factors and guanxi consumer behaviour, employing the measurement scales and grouping methods outlined in Chapter Three. This study examines the effects of renqing, mianzi, and sustainability as influencing factors, analysing their impact on the rational and irrational aspects of guanxi consumer behaviour within different institutional boundaries.

In China, sustainable policies are primarily driven by governmental directives rather than being merely a social or cultural phenomenon. In 2021, the Chinese government passed the Anti-Food Waste Law during the 13th National People's Congress, which explicitly requires the reduction of waste at all stages, from food production to consumer levels, and imposes fines on restaurants and individuals who order food excessively (State Administration for Market Regulation (SAMR) of China and Ministry of Commerce, 2021). Additionally, there are proposals to extend penalties

to consumers (Shuning Zhang, 2023). In 2020, Chinese President Xi Jinping launched the "Clean Plate Campaign," urging the nation to combat food waste and advocate for the principle of "order as much as you eat" (People's Daily, 2022)." While sustainability discussions among consumers often focus on food waste, the scope of these policies extends far beyond, encompassing ecological and environmental protection. For instance, the Chinese government has set ambitious targets to reach peak carbon emissions by 2030 and achieve carbon neutrality by 2060, signifying that sustainable development has become a fundamental national policy in China (People's Daily, 2023). Therefore, in the context of China, discussions about sustainability are predominantly viewed as a system led by the government.

Renqing (favour) is viewed as a type of "debt" between individuals, understood as a uniquely Chinese form of favour. It is broadly acknowledged among women and is especially common in rural settings (Yang, 1994; Liu, 2008; Qi, 2014), exemplified by gift-giving during marriage ceremonies. Mianzi (face) in China constitutes a unique social institution, analogous to the Western concept of face, generally defined as preserving one's public stature and image (Buckley, Clegg and Tan, 2006). This often manifests in preferences for luxury consumption scenarios (Filieri et al., 2019; Fu et al., 2021). Renqing and mianzi, as essential components of Chinese culture, embody institutional characteristics. As culture functions as an informal institution that constrains individual behaviour (North, 1990), people tend to repay emotional debts when influenced by renqing; similarly, under the pressure of mianzi, they may engage in conspicuous consumption. In previous research, both institutions demonstrated significant impacts on consumer behaviours. Thus, we are examining the effects of these institutions on the mechanisms influencing guanxi consumption.

The core issue of this study is to examine how the institutional factors of renqing, mianzi, and sustainability influence the rational and irrational aspects of guanxi

consumption through institutional boundaries. Research on guanxi consumption is still in its early stages, with limited literature available to support it. Therefore, to undertake this study, it is essential to establish a clear research framework and, based on this foundation, determine the appropriate research path. We will begin by reviewing literature on how institutions impact consumption, analysing the relevance of these studies to our research, including categorising renqing, mianzi, and sustainability within institutional frameworks and setting up the research based on the characteristics of guanxi institutions. Furthermore, we will compile and examine literature on the influence of renqing, mianzi, and sustainability on guanxi consumption to guide our study. This will include exploring the characteristics of guanxi institutions, such as how potential institutional boundaries may affect the impact of these factors on guanxi consumption.

In existing research, it is imperative first to summarise the theoretical frameworks that illustrate how institutions influence consumer behaviour. Several papers mention institutions' impact on consumer behaviour (Teo, Wei and Benbasat, 2003; Bashir, 2019; Gleim, Smith and Cronin, 2019; Kropp and Totzek, 2020; Sreen et al., 2021; Roxas and Marte, 2022). The framework of these papers sees institutions as a type of pressure to press the consumer to make changes. To influence consumer behaviour, institutional pressure has been categorized into different types, such as coercive or normative institutions pressing adoption intentions (Kropp and Totzek, 2020).

Secondly, it is necessary to summarise the institutions related to guanxi consumption and their relationships with such consumption. Guanxi, Renqing and mianzi have been motioned in Chinese culture can impact consumer consumption (Qian, Razzaque and Keng, 2007; Liu, 2008; Sun, D'Alessandro and Johnson, 2014; Tong, Toppinen and Wang, 2021). The Chinese guanxi culture has been criticised for

excessive ordering and waste, which does not contribute to environmental sustainability (Fabinyi, 2018; Wang et al., 2022).

By summarising the literature above, we can conclude that institutions influence behaviour through pressures, which can be categorised into various types to explore their impacts on guanxi consumer behaviours. This study also classifies institutions into regulative and cognitive categories to examine their effects on guanxi consumption by using Scott typology (Scott, 1995). In this context, sustainability is categorised as a regulative institution as the Chinese government launched several policies, while renqing and mianzi are classified as cognitive institutions. However, existing research has not effectively analysed the possibility of consumers exhibiting different behaviours under the same institutional framework. This characteristic of institutions has also not been adequately considered. As discussed in the previous chapter, institutional boundaries can help differentiate how consumers perceive guanxi consumption. Based on the institutional framework, discussions in the existing literature regarding the relationships between renqing, mianzi, sustainability, and guanxi consumption are ambiguous. Therefore, it is necessary to systematically explore the impact of each institution on guanxi consumption within the framework of institutional pressures.

To address this issue, the methodology will use quantitative methods as the main point. The questionnaire will be conducted on the consumer. The questionnaire development will use the scale we build on the second paper. The formal and informal political scale will be found directly in another research's mature scale, such as renqing (Qian, Razzaque and Keng, 2007), mianzi (Sun, D'Alessandro and Johnson, 2014), formal institutional pressure (Liang, Huigang Saraf, Nilesh Hu and Xue, 2007; Simpson, 2012; Liao, 2018; Kropp and Totzek, 2020; Kauppi and Luzzini, 2022)(And my previous working paper, see table below), and institutional acceptance (Chau, 1996; Kropp and Totzek, 2020). The items of guanxi consumer behaviour are derived from

the second paper of my thesis. The questionnaire will be submitted on WJX.com, which is the largest questionnaire platform in China. We need to confirm the feasibility of applying measurement and validation in the academic area for the new concept of guanxi consumer behaviour. Although we have established the validity of a scale for guanxi consumer behaviour using the confirmatory factor analysis, there is still a lack of research in this area (Hair et al., 2021). We will use structural equation modelling to analyse the linkage between guanxi consumer behaviour and another institution (Hair et al., 2021). These methods can help us to find the correlation between guanxi consumption and other formal and informal institutions.

The primary contributions of this study are threefold. First, we analysed the concepts of "renqing" and "mianzi" as cognitive institutions that impacted guanxi consumer behaviour and addressed the previous research gap where these concepts were often conflated. Additionally, we examined the influence of sustainability as a regulative institution on guanxi consumption. Second, through cluster analysis, this study is the first to reveal individual differences in interactions within guanxi institutions and to identify the impact of institutional boundaries on consumer behaviour quantitatively. By categorising participants into high and low guanxi activity groups, we found significant differences in how these groups interpret and interact with guanxi consumption, thereby offering a new theoretical perspective on guanxi consumption research. Lastly, the core theoretical contribution of this study lies in demonstrating that even within the same institutional context, guanxi consumer behaviour can be influenced by different mechanisms. Notably, those who interact more frequently with institutional frameworks tend to view institutions as a reference point (i.e., a cognitive mode), enabling them to find balance within the institution and make decisions that benefit themselves.

The entire paper is divided into five sections: literature review, methodology, data analysis, results discussion, and theoretical significance. In the literature review, we summarise the relevant literature on the influence of institutions on consumption and draw on the frameworks used in these studies. We also review the impact of renqing, mianzi, and sustainability institutions on guanxi consumption. In the methodology section, we discuss the research design, determine the use of measurement scales, and establish groupings to reflect institutional boundaries. This allows us to observe differences in consumer interactions with other institutions across these boundaries. In the data analysis section, we present the results, which are mostly within acceptable ranges. In the discussion of the results, we explain key issues arising from the data analysis, such as why the low guanxi activity group shows more significant results. Finally, we discuss the theoretical contributions, including the validation of the impact of other institutions on guanxi consumption, the discovery of differences in institutional interactions between different groups, and the verification of different institutional interaction modes.

2. Literature review and hypotheses

Brief recall on the thesis, the chapter two aims to establish the guanxi consumer behaviour theory. The chapter three tries to develop the scale based on the discussion of guanxi consumer behaviour from the first part. And apply the institutional boundary into the scale development. And this paper will test the guanxi consumer behaviour with other related institutions in China, such as renqing (favour), mianzi (face) and sustainability. We put forward the concept of guanxi consumer behaviour is an important and neglected area. However, consumers can not exist solely within the domain of a single institution. The integrative review of the first paper shows the concept of sustainability (M. Wang et al., 2022), renqing (Qian, Razzaque and Keng, 2007), and mianzi (Sun, D'Alessandro and Johnson, 2014), which we also consider as institutions, are particularly relevant to the institutional perspective in the consumption

area. Then, the related institutions may affect guanxi consumer behaviour. As the discussion on institutions deepens, the second chapter reveals the consumer understands guanxi consumption differently through the boundary of different guanxi activations. The CFA and EFA result of third paper shows that the high guanxi activation group get better understanding of scale of guanxi consumers behaviour. This is not enough; the practice may also vary according to the institution's boundaries (Lamont and Molnár, 2002; Zietsma and Lawrence, 2010). We believe these related institutions can help us track the different practices according to the different guanxi groups.

This paper's primary focus lies in examining how related institutions influence guanxi consumer behaviour and tracking the various practices of the various groups. The literature review needs to be summarised from three aspects to achieve the above research aim. First, examine the impact of institutions on consumer behaviour by identifying articles that discuss this influence, thus establishing the overall research framework and identifying areas that need further investigation. Second, summarise and organise the other institutions mentioned in guanxi consumption contexts, analysing the backgrounds that position them within guanxi consumption. Third, based on these interwoven institutions, analyse how each interacts with the determinants of guanxi consumer behaviour.

2.1. Institution pressure on consumer behaviour

Recall on institutional theory, the existing literature has widely documented why an institutional environment can change consumer behaviour: 'One way of understanding markets is to regard them as organisational fields consisting of a set of institutions (Humphreys, 2010). Institutions are traditionally defined as rules and procedures shaping social interaction by limiting and enabling the actions and behaviour of subjects and individuals (North, 1990). These impact personal behaviour

through rules, norms, and values. This means that consumer behaviour is based not only on 'economic person assumption' but on particular institutions.

The current research on the institutional impact on consumer behaviour primarily revolves around topics such as green consumption (Gleim et al., 2019; Roxas & Marte, 2022; Sreen et al., 2021; Zeng et al., 2019), technology acceptance (Teo, Wei and Benbasat, 2003; Kropp and Totzek, 2020), and Hala consumer (Bashir, 2019). These researchers first think institutions can impact the individual level (Bashir, 2019). The explanatory variable is called institutional pressure. The institution theory posits that individuals and organisations face specific pressures from the institution and need to conform to them. Otherwise, it will affect their ability to access resources and support from society (Dimaggio & Powell, 1983; Teo et al., 2003; Tolbert, 1985).

The institutional pressure contains various form. In these literatures, institutional pressure includes mimetic, normative, and coercive pressure (Teo, Wei, and Benbasat, 2003; Kropp and Totzek, 2020); external pressure (Gleim, Smith, and Cronin, 2019); government, moral (Sreen et al., 2021). The mimetic pressure usually comes from the other industry peers. For instance, the smart service needs to be adopted because the manager feels the competitor has started adopting the new change. The normative pressure is illustrated by the pressure from the actors surrounding us. Consumers, competitors and suppliers are the source of the institutional pressure. The coercive in the research represented the pressure contained certain compulsory. The customer wishes us to use smart service (Teo, Wei and Benbasat, 2003; Kropp and Totzek, 2020).

The external pressure factors refer to organisational, media, and government influence. The media, like Time magazine, may be dedicated to issues of sustainability. The organization's influence may lead them to consider environmental sustainability. The government may force individuals to follow sustainable rules (Gleim, Smith, and

Cronin, 2019). The pressure of the government, which is the same as moral and normative, can impact consumer behaviour. Generally, norms are defined as the rules of morality that people are expected to adhere to (Sreen et al., 2021).

The institutional pressure in the literature presented various forms. Nevertheless, these concepts of institutional pressures followed the classical institutional typology, including regulative, normative, and cognitive aspects (Scott, 1995). Regulatory institutions derive from regulations and legal rules. In this study, the sustainability institutions can impact consumer behaviour. Normative pressure ‘refers to the congruence between the social values associated with or implied by actors and the norms of acceptable behaviour in the larger societal system’ (Dowling & Pfeffer, 1975). For instance, individuals will follow their peers’ behaviour (Myers, 2011). Socio-cognitive pressure originates in the collective population and its cultural values. For instance, the *renqing* and *mianzi* are the socio-cognitive pressure. From the definition of institutional pressure, the regulatory of sustainability and social-cognitive of *renqing* and *mianzi* has been belong to the institutional pressure.

We have selected cognitive and regulative pressure as our classification criteria in these three frameworks. In terms of sustainability, China's sustainable consumption leans more towards a policy-oriented institution (People’s Daily, 2022, 2023; State Administration for Market Regulation (SAMR) of China and Ministry of Commerce, 2021). For instance, sustainable systems are a key focus of the future efforts of the Chinese government. On the other hand, the concept *renqing* and *mianzi* lean more towards a cognitive system, representing more of a cultural institution (Tong et al., 2021).

These existing studies represent different institutions , but cannot generalise the insight for the institution theory. The recent institutional study contained various

institutions and various consumption. The social norm pressure has positively impacted consumer eco-behaviour (Roxas and Marte, 2022). The social norm will negatively impact the adoption of smart product-service systems (Kropp and Totzek, 2020). These studies can only produce the one consent that institutions do impact certain behaviours (Dequech, 2006) without discussion of the contribution of institutional theory. To contribute institutional theory in later study, we need to find out the institutional element that we can apply. Everyone within the institution may receive pressure, but not all will behave similarly. Fischer (2015) reveals that within the fashion market, different institutional works and logic may vary in boundaries. The institutional boundary refers to the heterogenies recognised by the actors within the same institutional environment, the category of actors, practice, objective and space (Lamont & Molnár, 2002). This study also acknowledges that not everyone may hold favourable views towards mianzi and renqing. Certain scholarly perspectives posit that renqing may be perceived as a burden (T. Zhang, 2022). The previous chapter shows the different guanxi-activated levels may become the boundary, and people may think differently. Thus, beyond the related institution's impact on guanxi consumer behaviour, one more critical discussion is to set up a way to determine the boundary of guanxi consumers. We want to track the various practices from within and outside boundaries. We will keep the same question but use different cluster analyses to find the cluster again. This analysis allows institutions to focus not only on their impact but also to track the mechanism of insights empirically.

2.2. The institution related guanxi consumer behaviour

According the previous discussion about how institutional pressures affect consumer behaviour, guanxi consumption-related papers mention that Renqing, Mianzi, and sustainability are institutional factors can also influencing consumption. Sustainability usually links luxury consumption within guanxi and refers to the

tendency for people to over-order (Fabinyi, 2018; Wang et al., 2022). In these paper concerns, guanxi consumers may show respect for over-ordering and luxury ordering during banquets. This behaviour causes food waste and a lack of marine resources (Fabinyi, 2018). These phenomena indicated that guanxi consumer behaviour contained an inner connection to sustainability. Renqing and mianzi are common topics frequently related to guanxi consumer behaviour (Qian, Razzaque and Keng, 2007; Sun, D'Alessandro and Johnson, 2014). The mianzi and guanxi are related to luxury consumption (Sun, D'Alessandro and Johnson, 2014). renqing, mianzi and guanxi have been tested for their impact on gift-giving behaviour and determine the significant level(Qian, Razzaque and Keng, 2007). In addition, other articles focus more on discussing the concepts of Renqing and Mianzi, merely mentioning relationships without delving into an in-depth discussion of relationships themselves (see example: Qian, Razzaque and Keng, 2007, Sun, D'Alessandro and Johnson, 2014).

The institutions behind these factors (renqing, mianzi, and sustainable) r certainly have a definite impact on consumption. However, we are unclear how these institutions collectively influence guanxi consumer behaviour. For example, these articles discuss the influence of guanxi, renqing, and mianzi on consumption in parallel (Qian, Razzaque and Keng, 2007; Sun, D'Alessandro and Johnson, 2014). In the analysis of the first chapter, renqing and mianzi are merely stages within the guanxi process, while guanxi itself is an important component of social structure. In other words, the renqing and mianzi cannot exist without guanxi, but guanxi can exist without reniqng and mianzi. Therefore, guanxi consumption is a broader theoretical topic compared to renqing and mianzi, and we can study the impact of renqing and mianzi within the context of guanxi consumption. To better analyse the topic, we can use the previously discussed institutional pressures on consumption behaviour as a theoretical framework. Specifically, based on prior analysis, renqing and mianzi can be considered as cognitive institutional pressures. This will help in analysing the impact of these factors (Fabinyi,

2018; Wang et al., 2022). Moreover, sustainability issues are also involved in guanxi consumption, and they can be incorporated into our framework as part of the regulative institutional pressures. This will allow for a more comprehensive understanding of how these factors influence guanxi consumer behaviour.

Our previous research on institutional consumption revealed that many articles only analyse phenomena, such as how external institutions influence green consumption behaviour (Gleim et al., 2019). However, these studies are rare in providing insights at the theoretical level of institutional perspectives of consumption. Therefore, we still need to introduce the discussion of institutional boundaries. Simultaneously, we found that the literature on guanxi consumer behaviour lacks a clear logic regarding related institutional perspective. To address these issues, we can apply the analytical framework of institutional pressure to study the impact of related institutions on guanxi consumer behaviour. By doing so, we can observe the corresponding impacts of institutional pressure on guanxi consumption and gain relevant insights.

Additionally, by establishing boundaries, we can distinguish behavioural differences among consumers in and out of the boundaries, thereby further discussing the implications of guanxi consumption from the institutional perspective of consumption. Lastly, guanxi consumer behaviour has five determinates. We think the institution can impact the determinates of guanxi consumer behaviour differently

2.3. The impact of the institution towards guanxi consumer behaviour

Sustainability impact on guanxi consumer behaviour

Sustainability is the Chinese government's national strategy. Sustainability as a

regulatory institution has been mentioned in the guanxi-related literature. Sustainability has different dimensions, such as a green environment and food waste (Fischer et al., 2017). We select the reduction of food waste as the dimension to develop our hypotheses.

Various research studies have mentioned guanxi as related to luxury consumption and banqueting (Fabinyi, 2018; Sun et al., 2014; M. Wang et al., 2022; M. M. Yang, 1994). These banquets lead to food waste issues. Food waste often stems from ordering more than can be consumed, which not only results in the wastage of food but also leads to additional financial loss. When consumers perceive that the government strictly regulates food waste, they become more concerned about whether over-ordering might cause waste. As a result, they place greater emphasis on price factors in their purchasing decisions, thereby increasing their price sensitivity. Moreover, the traditional practice of over-ordering as a form of hospitality is an irrational consumption pattern (Yang, 1994). Sustainable institution, to some extent, correct this irrational culture by encouraging consumers to focus more on cost-effectiveness and conservation, which further enhances their sensitivity to price. Thus, formal institutions' sustainability may positively impact guanxi consumer behaviour's price sensitivity. Thus, we propose that (See the Figure 4.1):

H1. The regulative institutions pressure of sustainability positively impacts price sensitivity in rational guanxi consumer behaviour.

On the other hand, sustainability regulations contrast sharply with luxury consumption. Luxury consumption is generally associated with expensive products that require consumers to devote more careful consideration when making their purchase decisions, while convenience means reducing the mental burden during decision-making and product use. When the government make announcements to limit over-

ordering and promote sustainable practices, consumers not only become more attentive to price factors but also tend to choose products or services that simplify decision-making and improve convenience. In guanxi consumption, consumers are more likely to favour options that are easy to use and efficient, thus increasing their demand for convenience. Thus, we propose that (See the Figure 4.1):

H2. The regulative institutions pressure of sustainability positively impacts the need for convenience in guanxi consumer behaviour.

Mianzi impact on guanxi consumer behaviour

Compare to factor of sustainability, in the context of guanxi consumer behaviour, individuals tend to consume high-priced products and services, largely due to the concept of "face" (mianzi) (Sun, D'Alessandro, and Johnson, 2014; Masson, Sánchez, and Celhay, 2017; Wang et al., 2022). Mianzi, a pivotal notion in Chinese culture, represents one's reluctance to lose respect in public settings (Hwang, 1987). Thus, mianzi is often linked to the consumption of luxury goods (Fu et al., 2021). Consequently, when considering mianzi, consumers may overlook the price, even when such expenditures exceed their budget.

H3. The cognitive institutional pressure of mianzi negatively impacts to the price sensitivity of rational guanxi consumer behaviour.

In the Chinese context, "Mianzi" is not just a symbol of social etiquette or respect, but a social norm deeply embedded in culture and institutions. It requires individuals to respect others' face while protecting their own (Hsieh et al., 2023). The purpose behind safeguarding one's own face is an individual's social status and reputation (mianzi), which often secures support and resources from others. As a result, preserving and

displaying face can become a “power game.” Crucially, this face-driven power game is realised through specific relationship interactions (Hwang, 1987). Under institutional face pressure, people often seek dominance and influence in these interactions to secure a better position in resource allocation, reflecting a rational concern for resource distribution. Extending this to guanxi consumer behaviour, consumers under face pressure also place greater emphasis on gaining dominance in consumption settings, aiming to maintain and showcase their social status and reputation.

H4. The cognitive institutional pressure of mianzi positively impacts to the need for the power of rational guanxi consumer behaviour.

In the Chinese cultural context, where face is highly valued, face not only represents personal reputation and social status but also deeply affects how people present themselves in public (Hwang, 1987). According to Oetzel and Ting-Toomey (2003), to avoid losing respect in front of others, individuals often emphasise an independent self. However, when face becomes a primary focus, people in guanxi settings may prioritize their own interests, thereby reducing their attention to “symbolic consumption.” Symbolic consumption refers to how consumers use products or brands to express self-concepts and social concept (Belk, 1988), fulfilling not only material needs but also conveying emotional and social meaning. Face pressure leads consumers to concentrate on avoiding “losing face” and on displaying status, causing them to overlook the shared values or symbolic elements important in guanxi group. They tend to press an independent self, weakening group belonging and emotional connection, which lowers the relational meaning and emotional symbolism. Based on this, we propose:

H5. The cognitive institutional pressure of mianzi negatively impacts to the symbolic consumption of irrational guanxi consumer behaviour.

In a mianzi culture, maintaining one's mianzi is both a personal image-building strategy and a social norm. When individuals experience institutional pressure from mianzi culture, they tend to emphasise emotional and symbolic value in their consumption (Fu et al., 2021; Masson et al., 2017; Z. M. Shi et al., 2010; Tong et al., 2021). For instance, in guanxi consumption, people may choose higher-priced products or services to display their status. They also seek greater recognition from others, which enhances the emotional experience of consumption. This mianzi pressure makes guanxi consumption more emotionally oriented. Therefore, we propose:

H6. The cognitive institutional pressure of mianzi positively impacts to the emotional guanxi consumer behaviour.

Renqing impact on guanxi consumer behaviour

In Chinese culture, "renqing" is regarded as a profound social obligation or a form of interpersonal debt (Tang, 2023). It is an indispensable element of social interaction in China, often manifested through various forms of assistance or gift-giving. When renqing is extended by someone, societal expectations and cultural norms generally dictate that it should be reciprocated within an appropriate timeframe. This reciprocal cultural practice is deeply ingrained in the Chinese's everyday lives and business interactions (Tang, 2023). Renqing transcends mere gift exchange; it encompasses broader social and economic activities and serves as a critical tool for maintaining and developing guanxi networks (Qian, Razzaque, and Keng, 2007; Zhou et al., 2015; Zhang, Xu, and Wu, 2021).

The cognitive institutional pressure of renqing increases consumers' need for power in guanxi consumption. Based on social exchange theory, renqing creates an implicit debt relationship, making consumers strive to avoid being in a passive

position(Hwang, 1987; Leung & Chan, 2014; Warren et al., 2004). This passivity results from the institutional pressure of renqing and often places consumers in a weaker position in power game. In order to restore balance, they seek more power. Therefore, in guanxi consumption, the perception of renqing pressure strengthens consumers' need for power.

H7. The cognitive institutional pressure of renqing positively impacts to the need for the power of rational guanxi consumer behaviour.

When selecting items to reciprocate renqing, individuals tend to choose gifts with explicit price tags, such as alcoholic beverages and cigarettes (M. Hu et al., 2012). This choice is not only due to the actual value of the items but also, importantly, because the visible pricing communicates the giver's investment and respect to the receiver. A notable characteristic of this consumer behaviour is its high price sensitivity, with careful consideration given to ensuring that the value of the gift appropriately reflects one's economic capacity and respect for the other party (C. L. Wang et al., 2008; D. C. Wang & Pak, 2015).

H8. The cognitive institutional pressure of renqing positively impacts to the price sensitivity of rational guanxi consumer behaviour.

Beyond the economic value of the gift, reciprocating renqing also involves considering the recipient's feelings and expectations. This consideration extends beyond the material to the emotional levels. Properly reciprocating renqing involves respecting the recipient, adhering to social norms, and managing one's reputation. For example, we should consider whether our reciprocation shows respect to the other party and whether it conveys our sincere intentions (Zhang et al., 2021). In addition, because

renqing is a form of “debt,” we need to see if the form and content of reciprocation help the other party feel our sincerity(Hwang, 1987). This pressure of renqing can increase the need for symbolic guanxi consumption. Therefore, we propose the following hypothesis:

H9. The cognitive institutional pressure of renqing positively impacts to the symbolic consumption of irrational guanxi consumer behaviour.

2.4. The proposition for institutional boundary and the above hypothesis

Based on the measurement of institutional boundaries in the previous chapter, we found that different groupings have different effects on guanxi consumer behaviour. In our analysis, we identified high guanxi activity groups, low guanxi activity groups, wide guanxi groups, and narrow guanxi groups. The results show that the low guanxi activity group and the narrow guanxi group have a more restricted understanding of guanxi consumption compared to the other two groups. Although we mentioned in the previous chapter that institutional boundaries might change, we still believe that this analysis can also be divided into high guanxi groups and low guanxi groups.

There three propositions of institution boundary, firstly, in this study, we conducted only a single grouping because both grouping methods produced relatively stable conclusions. Secondly, if the grouping results still show high and low guanxi active groups, we expect that the high guanxi active group will have higher factor scores and validity compared to the low guanxi active group, which is consistent with the data analysis results in the previous chapter. Additionally, based on the higher factor scores observed in the previous chapter, we have reason to believe that the high guanxi group will exhibit stronger significant level of hypothesis.

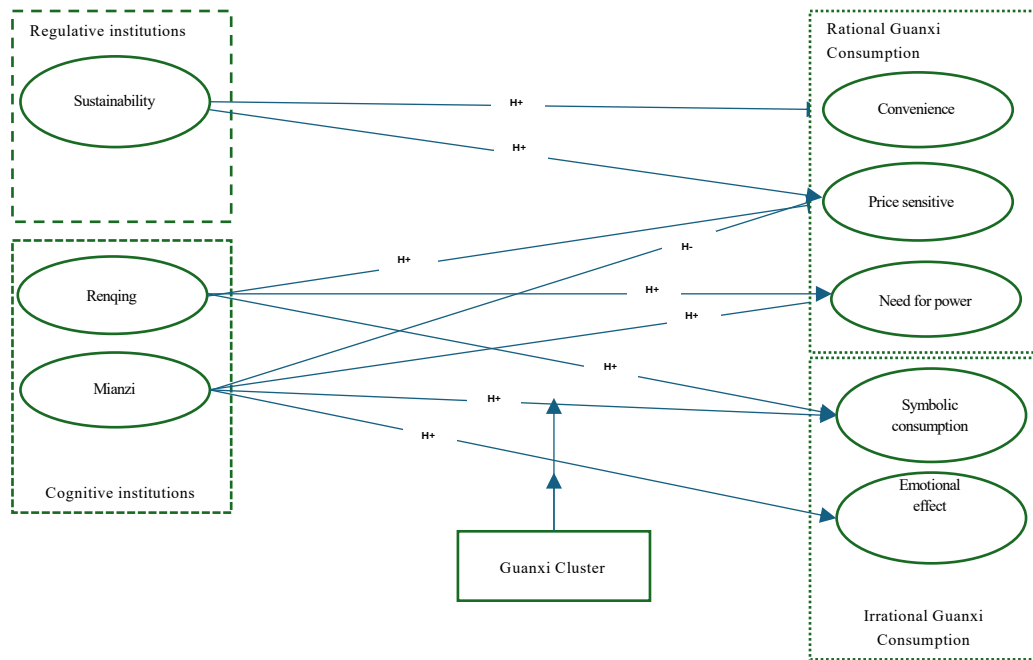


Figure 4.1 The relationship between institutions and guanxi consumer behaviour

3. The methodology

3.1. Research design

Our research methodology will be designed based on our research objectives. We aim to investigate the impact of sustainability, renqing and mianzi on guanxi consumer behaviour under various institutional boundaries in the Chinese context. The research contained two studies. The first study aims to test the whole structure of hypotheses generally. We conducted the survey to collect the consumers' opinions. Confirmatory factor analysis was applied to ensure the validity and reality of the questionnaire design. Once the confirmatory analysis shows the acceptable result, The structure equation modelling can be conducted to test the significance level of our hypothesis. The institution has its own boundary, and the practice will vary depending on the boundary (Dolbec & Fischer, 2015; Scaraboto & Fischer, 2013). Therefore, study two will run the cluster analysis to track the differences. A confirmatory analysis will be conducted for both clusters to check the different understandings of the questionnaire. As well as the structure equation modelling tested both groups and found out the various practices

of guanxi consumer behaviour.

The main discussion methodology comes from four parts: the rationale of the study, the use of a questionnaire, the factor analysis, the structure equation model and cluster analysis. We will establish a subgroup experiment, where Study 1 will explore the main effects, while Study 2 will divide consumers into two groups based on institutional boundaries to test the effects across different subgroups (Slater & Narver, 1994). This approach requires comparing the results from Study 1 with those from the two subgroups in Study 2 to identify the differences between them. For example, in subsequent tests, we observed that the low guanxi activity group showed greater significance in most hypotheses compared to the main effect, while the high guanxi activity group outperformed the main effect in certain specific effects. These differences allow us to gain deeper insights into how institutional factors influence guanxi consumer behaviours across institutional boundary.

The questionnaire can test different institutions' pressure impact on guanxi consumer behaviour. The deductive approach of the questionnaire has been applied, as the literature shows that institutional pressure is a widely existing theory (Hinkin, 1995; Kapuscinski & Masters, 2010; Morgado et al., 2017). The existing scales were chosen to test the hypothesis structure.

Confirmatory factor analysis (CFA) is one key to testing the item construct (Gerbing & Janet G. Hamilton, 1996). In the second chapter, we simultaneously test both explanatory factor analysis and confirmatory factor analysis. However, explanatory factor analysis is often applied in measurement development (Morgado et al., 2017). It frequently tests constructs under one unique topic, such as the need for uniqueness (Tepper, Bearden, and Hunter, 2001). Our test covers different topics of institutions. Thus, the most fit method is confirmatory analysis.

Structure equation modelling allowed us to simultaneously test the complicated structure impact among multiple dependent and independent variables (J. F. Hair et al., 2021). The model shows three independent variables and five dependent variables. The most appropriate analysis method is SEM. The SEM can also solve the problem of latent variables. Eight factors are derived from the twenty-six question items, with each variable containing at least three items. These question items can collectively form a latent variable. SEM can simultaneously test the latent variable without conducting separate tests.

Not all consumers are familiar with guanxi institutions. Our second chapter has already shown the boundaries among consumers. Some consumers have basic guanxi activity, and others have wilder guanxi activity. Each group contained a different understanding of guanxi consumer behaviour. We still want to track the difference between different guanxi consumer practices. Thus, the unsupervised cluster analysis will be applied (Frades & Rune Matthiesen, 2010; Grira et al., 2005; Pan et al., 2013). The cluster analysis can also provide evidence to support our second chapter. And, due to the institution theory, the different guanxi activation groups may have different practices that we do not explore.

3.2. The data methods

3.2.1. The questionnaire design

The question item contained two essential parts: one is guanxi consumer behaviour, and the other is the impact factor of the institution. In the second chapter, we created a scale and tested invariance. The guanxi consumer behaviour scales contained 31 question items in total in the second chapter. The question items contained the need for convenience, price sensitivity, power, symbolic perspectives, and emotional effects.

The research selected a total of 17 questionnaire items based on the highest CFA score from the second paper measurement. The question items of institutions contained three variables: renqing, mianzi, and sustainability. The mature scales have been applied to this research. Three questions of renqing (Qian, Razzaque and Keng, 2007), mianzi (Sun, D'Alessandro and Johnson, 2014), and sustainability (Simpson, 2012) have been selected separately. Following the questionnaire of institutional pressure research (Simpson, 2012; Liao, 2018; Gleim, Smith and Cronin, 2019; Kropp and Totzek, 2020; Kauppi and Luzzini, 2022), we changed the question wording to Renqing, mianzi, and sustainability (Kropp and Totzek, 2020). The way we ask is closed to the feeling rather than the value. Because institutions impact personal behaviour through other's pressures, a person who interacts with an institution needs to perceive others' pressures (Teo et al., 2003). For instance, the questionnaire asks them "what I can feel" instead of directly asking them "what they think". The reverse-score comes from the price sensitive. The Likert seven score scale has been applied to the questionnaire ("1" = "Very disagree"; "7" = "Very agree"). This reverse-score question can help us determine the participants' commitment level (Morgado et al., 2017). The total questionnaire contained 26 questions. In addition, the question items are translated into Chinese and back-translated into English to ensure consistency in meaning (Z. Liu et al., 2023).

3.2.2. Expert review

The question items need to be reviewed by the experts. Six experts reviewed our survey to manage content validity (DeVellis, 1991). Our experts fill out the questionnaire and give professional suggestions. The expert panel comprised four academic researchers and two PhD candidates (Jaspers et al., 2023; Sin et al., 2005; Tepper et al., 2001). These experts will give suggestions about content ambiguity and redundancy (Hardesty & Bearden, 2004). After reviewing, we changed the wording of these question items.

3.2.3. Data collection

We ran the survey online, and 815 Chinese consumers participated in our test. In the first step, the survey company applied the algorithm to help us clean data with long-time respondents and delete any uncompleted questionnaires. 166 out of 815 have been eliminated from our data set. In the second stage, we found that 34 respondents had given contradictory answers caused by a reverse-scored item. We rejected 200 invalid questionnaires (24.5%), resulting in a total of 615 valid questionnaires (75.5%). Same as the second chapter, categorical data has been collected pertaining to education level, age, workplace, gender, the frequency of meeting *guanxi* in the past half-year, and family revenue spent. Two hundred seventy-four (274) males answered our question (42.2%). And 375 females responded to our question (57.8%). The participants ranged in age from 21 to 61 (6.63% were aged 21–25, 26.19% 26–30, 36.21% 31–35, 19.72% 36–40, 5.24% 41–45, 2.93% 46–50, 2.16% 51–55, 0.77% 56–60, 0.15% over 60). We excluded any questionnaires from individuals who identified as students or under 21 years of age because these individuals were unlikely to have complete social connections. The frequency of meeting the *guanxi* in the past half-year could be termed ‘*guanxi* activeness’. The category of *guanxi* included 11 different forms of relationship, including parent (90.6%), child (66.9%), romantic partner (66.9%), kinship (49.3%), friend (78.12%), subordinate–supervisor (50.4%), teacher-student (10.8%), colleague (75.2%), government contact (10.2%), client or business partner (33.9%) and people from the same hometown or university (12.2%). The education level was tested from middle school to PhD. 79.8% of the population had a bachelor’s degree, representing a significantly higher education level than the national average. Finally, we collected data on the family income level from under 30,000 RMB revenue per year to 1,000,000 RMB revenue per year. 86.9% of participants have a family income ranging from 80,000 to 500,000, representing a high-income level. These figures are more representative of the city's population than national data, making them suitable for our

focus.

4. The data result

The whole test represented contained two studies. The first study included an analysis of how regulatory institutions of sustainability and cognitive institutions of renqing and mianzi impact rational and irrational consumer behaviour in guanxi relationships. A confirmatory factor analysis was applied to verify the construct of the model. The structural equation modelling is used to test the hypothesis. The second study applied the analysis to test the guanxi activation group and analyse the different affection separately.

4.1. The first study

We conducted a confirmatory factor analysis to ensure the construction of all the items was validated (See Table 4.1). All the factor loading is above 0.5 (Hair et al., 2019). Except for question items of Renqing, another factor composite reliabilities are above 0.6. The Sustainability, reqing, and symbolic guanxi consumer behaviour is below 0.5, and the rest of the average variance extracted is above 0.5. Institutional boundary differences may cause the reason. The discriminant validity is satisfactory; the square root of the average variance extracted (AVE) for each variable was higher than the correlations between that variable and others (See Table 4.2). The Cronbach's alpha of 8 items is 0.55 to 0.81, which is acceptable (Taber, 2018).

Table 4.1 The confirmatory factor analysis for study one

Factor (Latent variables)	Measurement item (explicit variable)	Non-standard load factor (Coef.)	Std. Error	z (CR Value)	p-value	Std. Estimate
Sus	S1	1	-	-	-	0.501
Sus	S2	1.057	0.114	9.252	0	0.687
Sus	S3	0.838	0.092	9.107	0	0.637
Mia	M1	1	-	-	-	0.823
Mia	M2	0.946	0.059	15.935	0	0.699
Mia	M3	1.061	0.063	16.876	0	0.778
Con	RGC1	1	-	-	-	0.697
Con	RGC2	1.021	0.077	13.176	0	0.679
Con	RGC3	1.054	0.077	13.671	0	0.739
Ren	R1	1	-	-	-	0.542
Ren	R2	0.954	0.111	8.601	0	0.551
Ren	R3	0.975	0.118	8.292	0	0.515
Pri	RGP1	1	-	-	-	0.794
Pri	RGP2	0.802	0.055	14.464	0	0.725
Pri	RGP3	0.988	0.071	13.95	0	0.671
Pow	RGN1	1	-	-	-	0.775
Pow	RGN2	0.983	0.066	15.008	0	0.721
Pow	RGN3	1.009	0.069	14.655	0	0.693
Sys	IGS1	1	-	-	-	0.595
Sys	IGS2	1.253	0.118	10.586	0	0.573
Sys	IGS3	1.23	0.123	9.998	0	0.529
Sys	IGS4	0.951	0.093	10.248	0	0.547
Sys	IGS5	1.091	0.107	10.191	0	0.543
Em	IGE2	1	-	-	-	0.735
Em	IGE3	1.126	0.07	16.059	0	0.78
Em	IGE1	0.932	0.059	15.688	0	0.743

The goodness of fit was good (See Table 4.3). The CFI and TLI are all above 0.9 (See the table). The root mean square error (RAMSEA) indicator of approximation is less than 0.04. The indicator of standardised root mean residual is less than 0.05. These indicators support the generalisability of our model.

Table 4.2 The AVE and CR for study one

Factor	AVE	CR
Sus	0.376	0.64
Mia	0.59	0.811
Con	0.498	0.748
Ren	0.288	0.548
Pri	0.535	0.775
Pow	0.534	0.774
Sys	0.311	0.693
Em	0.567	0.797

Table 4.3 The goodness of fit for study one

Indicator	χ^2	df	p	χ^2/df	GFI	RMSEA	CFI	TLI	SRMR
Study one	498.118	271	0.000	1.838	0.914	0.037	0.948	0.937	0.037

We accessed our hypothesis by structure equation modelling (See Table 4.4). Firstly, the baseline model showed that the H2, H5, H6, H7, H9, and H10 results matched our hypothesis and had a significant and positive impact. The result of H3 is close to the significant level of 0.1. The result of H4 shows the reverse significant level of impact. The results of H1 and H6 represented an insignificant impact.

The goodness fit represents that the result meets the acceptable level (See Table 4.5). The RMSEA is 0.051, below the adequate level of 0.10, and the SMR is less than 0.1. Additionally, the GFI, CFI, and TLI are close to 0.9, supporting the model's generalisability.

Table 4.4 Structure equation model for study one

X	→	Y	Unstandardised Coefficients	SE	z (CR)	p	Standardised Coefficients
Sus	→	Con	0.585	0.080	7.326	0.000	0.543
Sus	→	Pri	0.165	0.178	0.927	0.354	0.100
Sus	→	Con	0.612	0.082	7.483	0.000	0.566
Sus	→	Pri	0.181	0.182	0.993	0.321	0.109
Ren	→	Pri	0.677	0.299	2.266	0.023	0.275
Ren	→	Pow	0.748	0.125	6.005	0.000	0.410
Ren	→	Sys	1.024	0.133	7.711	0.000	0.903
Mia	→	Pri	-0.116	0.064	-1.823	0.068	-0.114
Mia	→	Pow	0.127	0.042	2.993	0.003	0.169
Mia	→	Sys	-0.045	0.031	-1.445	0.149	-0.096
Mia	→	Em	0.124	0.033	3.721	0.000	0.187

Note: → Indicates regression influence relationship or measurement relationship

Note: The bar '-' indicates that the item is a reference item

Table 4.5 The goodness of fit for study one

Indicator	χ^2	df	p	χ^2/df	GFI	RMSEA	CFI	TLI	IFI	SRMR
Study one	756.201	286	0.000	2.635	0.913	0.051	0.892	0.878	0.893	0.087

4.2. The second study

Table 4.6 Cluster Analysis

Guanxi Type	Name	Cluster_Kprototype		Total	χ^2	p
		LGA	HGA	No(%)		
Parents	0.0	40(11.33)	15(5.73)	55(8.94)	5.804	0.016*
	1.0	313(88.67)	247(94.27)	560(91.06)		
Total		353	262	615		
Partner	0.0	96(27.20)	29(11.07)	125(20.33)	24.151	0.000**
	1.0	257(72.80)	233(88.93)	490(79.67)		
Total		353	262	615		
Child	0.0	140(39.66)	63(24.05)	203(33.01)	16.581	0.000**
	1.0	213(60.34)	199(75.95)	412(66.99)		
Total		353	262	615		
Kinship	0.0	258(73.09)	58(22.14)	316(51.38)	156.275	0.000**
	1.0	95(26.91)	204(77.86)	299(48.62)		
Total		353	262	615		
Friend	0.0	107(30.31)	24(9.16)	131(21.30)	40.134	0.000**
	1.0	246(69.69)	238(90.84)	484(78.70)		
Total		353	262	615		
Subordinate	0.0	286(81.02)	20(7.63)	306(49.76)	323.967	0.000**
	1.0	67(18.98)	242(92.37)	309(50.24)		
Total		353	262	615		
Teacher/student	0.0	329(93.20)	221(84.35)	550(89.43)	12.461	0.000**
	1.0	24(6.80)	41(15.65)	65(10.57)		
Total		353	262	615		
College	0.0	125(35.41)	27(10.31)	152(24.72)	50.940	0.000**
	1.0	228(64.59)	235(89.69)	463(75.28)		
Total		353	262	615		
GOV	0.0	341(96.60)	214(81.68)	555(90.24)	38.029	0.000**
	1.0	12(3.40)	48(18.32)	60(9.76)		
Total		353	262	615		
Business	0.0	331(93.77)	74(28.24)	405(65.85)	287.124	0.000**
	1.0	22(6.23)	188(71.76)	210(34.15)		
Total		353	262	615		
Fellow	0.0	338(95.75)	205(78.24)	543(88.29)	44.588	0.000**
	1.0	15(4.25)	57(21.76)	72(11.71)		
Total		353	262	615		

* $p < 0.05$ ** $p < 0.01$

The institution has its boundaries. The second chapter uses cluster analysis to identify two groups; this paper will apply cluster analysis to data. The guanxi seen in the past six months will serve as an indicator for clustering. The cluster analysis result (See Table 4.6) shows two groups. The first group contained 353 observations, and the second group included 262 observations (See Table 4.7). In the first cluster, people want to maintain their basic meeting frequency with their guanxi, including their parents, partner, child, friend, and colleagues, as these relationships are their basic needs.

In contrast, the second cluster involves more guanxi meetings. In addition to the relationships in cluster one, kinship and business relationships are also frequently visited. The p-value shows all the guanxi items have significant differences, which support the generation of the two clusters. Thus, based on the result, we can name the first cluster the Low-activated guanxi group (LAG). Another is called the High-activated guanxi group (HAG).

Table 4.7 The Observations of Both Group

Cluster name	Observations	Percentage (%)
LGA	353	57.40%
HGA	262	42.60%
Total	615	100%

We conducted the confirmatory factor analysis for both groups (See Table 4.8). Firstly, Both groups' factor loading is close to an acceptable level. The renqing question items are below the 0.5 acceptable level in the HAG group. The LGA presented that symbolic consumption question items were below the acceptable level. Besides those differences between the HAG and LAG groups, the HAG groups have higher factor loading levels than the LAG. Different results are presented for the AVE of the HAG

group and LAG. The HAG group have a lower AVE score than the LAG group. But the rest of them are all higher than the LAG group. The AVE score in the LAG group is mostly below 0.5, except for mianzi and emotion consumption (See Table 4.9). For the composite reliability, the renqing question items are the only ones below the acceptable threshold. All the others are above the acceptable level of 0.6, and 6 are above the good level of 0.7. Most CR scores that HGA is better than LGA. Additionally, both clusters have good discriminate validity levels (See Table 4.10 and 4.11).

Table 4.8 The confirmatory factor analysis for both groups

Latent Factor	Factor	LGA Factor Loading	p	HGA Factor Loading	p
Sus	S1	0.523	-	0.493	-
Sus	S2	0.649	0.000	0.714	0.000
Sus	S3	0.608	0.000	0.641	0.000
Ren	R1	0.612	-	0.475	-
Ren	R2	0.530	0.000	0.482	0.000
Ren	R3	0.541	0.000	0.436	0.000
Mia	M1	0.849	-	0.811	-
Mia	M2	0.653	0.000	0.752	0.000
Mia	M3	0.736	0.000	0.807	0.000
RGC	RGC1	0.640	-	0.764	-
RGC	RGC2	0.677	0.000	0.720	0.000
RGC	RGC3	0.641	0.000	0.818	0.000
RGP	RGP1	0.654	-	0.895	-
RGP	RGP2	0.689	0.000	0.732	0.000
RGP	RGP3	0.701	0.000	0.654	0.000
RGN	RGN1	0.700	-	0.864	-
RGN	RGN2	0.669	0.000	0.730	0.000
RGN	RGN3	0.684	0.000	0.744	0.000
SYS	IGS1	0.637	-	0.534	-
SYS	IGS2	0.546	0.000	0.595	0.000
SYS	IGS3	0.430	0.000	0.559	0.000
SYS	IGS4	0.494	0.000	0.622	0.000
SYS	IGS5	0.460	0.000	0.617	0.000
EM	IGE1	0.760	-	0.711	-
EM	IGE2	0.732	0.000	0.737	0.000
EM	IGE3	0.750	0.000	0.802	0.000

Table 4.9 AVE and CR value for both group				
Factor	AVE (LGA)	CR (LGA)	AVE (HGA)	CR (HGA)
Sus	0.355	0.620	0.388	0.650
Ren	0.316	0.580	0.216	0.452
Mia	0.563	0.793	0.625	0.833
Con	0.426	0.690	0.590	0.812
Pri	0.465	0.722	0.588	0.808
Pow	0.469	0.726	0.611	0.824
Sys	0.269	0.643	0.344	0.723
Em	0.559	0.791	0.564	0.795

Table 4.10 Discriminate Validity for HGA								
	Sus	Ren	Mia	RGC	RGP	RGN	SYS	EM
Sus	0.623							
Ren	0.216	0.465						
Mia	0.012	0.187	0.791					
Con	0.288	0.230	0.132	0.768				
Pri	0.144	0.199	0.004	0.364	0.767			
Pow	0.105	0.157	0.224	0.226	0.016	0.782		
Sys	0.220	0.346	0.212	0.282	0.161	0.317	0.586	
Em	0.211	0.269	0.141	0.244	0.119	0.340	0.426	0.751

AVE square root is the blue font

Table 4.11 Discriminate Validity for LGA								
	Sus	Ren	Mia	RGC	RGP	RGN	SYS	EM
Sus	0.595							
Ren	0.281	0.562						
Mia	0.076	0.225	0.750					
Con	0.339	0.365	0.125	0.653				
Pri	0.160	0.198	0.035	0.247	0.682			
Pow	0.313	0.160	0.275	0.298	0.046	0.685		
Sys	0.462	0.451	0.120	0.316	0.341	0.303	0.518	
Em	0.227	0.186	0.085	0.261	0.085	0.372	0.312	0.747

AVE square root is the blue font

The goodness of fit for the HGA and LGA groups is better than the baseline

analysis. Both groups' CFI and TLI are above 0.9, the RMSEA and SRMR are less than 0.05, and both groups' IFI values are above 0.9. The goodness of fit supports the generalisation of our question item (See Table 4.12).

Table 4.12 The goodness of fit for both groups

Indicator	χ^2	df	p	χ^2/df	GFI	RMSEA	CFI	TLI	IFI	SRMR
HGA	411.615	271	0.000	1.519	0.895	0.045	0.932	0.919	0.934	0.05
LGA	441.829	271	0.000	1.630	0.912	0.042	0.925	0.910	0.926	0.049

4.2.1. The Structure equation modelling.

Table 4.13 Structure equation model for HGA Group

X	→	Y	Unstandardised Coefficients	SE	z (CR)	p	Standardised Coefficients
Sus	→	Con	0.595	0.126	4.711	0.000	0.509
Sus	→	Pri	0.391	0.201	1.941	0.052	0.220
Ren	→	Pri	0.676	0.432	1.563	0.118	0.203
Ren	→	Pow	0.811	0.259	3.129	0.002	0.334
Ren	→	Sys	0.818	0.211	3.874	0.000	0.712
Mia	→	Pri	-0.098	0.099	-0.996	0.319	-0.082
Mia	→	Pow	0.141	0.072	1.957	0.050	0.160
Mia	→	Sys	0.020	0.041	0.481	0.630	0.047
Mia	→	Em	0.132	0.047	2.808	0.005	0.215

Note: → Indicates regression influence relationship or measurement relationship

Note: The bar '-' indicates that the item is a reference item

The structure equation model shows the different results for both clusters (See Table 4.13 and 4.14). The HGA group has more insignificant results than study one and the LGA group, which is counterintuitive. Compared to study one, the results of H1, H3, H4 and H6 in the HGA group have the same insignificant level. The result of H7 in HGA also shows an insignificant level, which is different from study one and the LGA group. The result of H2, H5, H8, H9, and H10 shows significant level. The LGA

group shows more significant results. The result of H2, H3, H5, H7, H8, H9, H10 presented the signification level and matched our hypotheses. The results of H6 and H4 show significant results but differ from our hypotheses. Only H1 shows an insignificant level.

Table 4.14 Structure equation model for LGA group

X	→	Y	Unstandardised Coefficients	SE	z (CR)	p	Standardised Coefficients
v	→	Con	0.551	0.097	5.666	0.000	0.589
Sus	→	Pri	-0.215	0.243	-0.887	0.375	-0.162
Ren	→	Pri	1.272	0.399	3.189	0.001	0.702
Ren	→	Pow	0.662	0.141	4.688	0.000	0.441
Ren	→	Sys	1.234	0.189	6.547	0.000	1.115
Mia	→	Pri	-0.185	0.086	-2.147	0.032	-0.244
Mia	→	Pow	0.087	0.051	1.706	0.088	0.138
Mia	→	Sys	-0.155	0.050	-3.075	0.002	-0.334
Mia	→	Em	0.086	0.044	1.962	0.050	0.130

Note: → Indicates regression influence relationship or measurement relationship

Note: The bar '-' indicates that the item is a reference item

Both clusters of the goodness of fit are at an acceptable level (See Table 4.15). The RMSEA and SRMR are less than 0.1. The results for GFI, CFI, TLI, and IFI are all close to 0.9, which is acceptable (Baumgartner and Homburg, 1996).

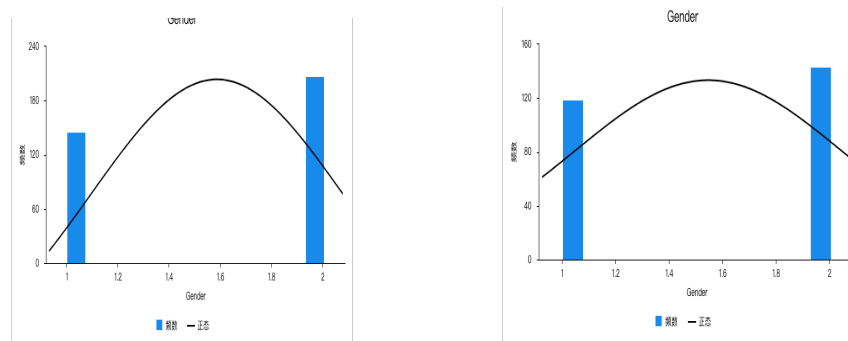
Table 4.15 The goodness of fit for both groups

Indicator	χ^2	df	p	χ^2/df	GFI	RMSEA	CFI	TLI	IFI	SRMR
HGA	535.861	287	0.000	1.867	0.868	0.057	0.880	0.865	0.883	0.098
LGA	595.229	287	0.000	2.074	0.886	0.055	0.864	0.846	0.866	0.087

The final test shows the results of the characteristics of both groups (See Figure 4.2). The HGA group has a higher proportion of males than the LGA group. 83% of males versus females in the HGA group compared to 70% of males versus females in the LGA group. The income level of the HGA group is higher than that of the LGA

group.

Figure 4.2 HGA gender and LGA gender



5. Discussion

5.1. General discussion

In study one, the eight latent variables showed strong factor loadings, indicating well-constructed research. The goodness of fit of the Confirmatory Factor Analysis (CFA) meets the threshold of 0.9, confirming the strength of the study construct. The structure equation model also represented the six hypotheses that have been supported. Furthermore, the model's goodness of fit has surpassed the acceptable level. However, the question arises from two sides. First, the baseline CFA model indicates that the partial result of the AVE does not meet the threshold. Secondly, the hypothesis does not support H1, H3, and H5. These two questions will be partially answered after the second study. Cluster analysis was conducted on the initial dataset, creating two distinct groups for observation in the second study. Both groups show an acceptable level of factor loading. The HGA group's AVE is higher than the baseline test and the LGA group. Both goodness of fit meet the adequate standard. The structure modelling shows more support from the LGA group than the HGA grand baseline groups

Compared to studies one and two, two questions must be considered first. For the

AVE problems, some of the factors' AVE values are below 0.5. Such as sustainability, renqing institutions, and symbolic consumption of irrational guanxi. The low guanxi-activated group had more factors and a lower AVE score. Renqing has a lower score AVE in the high guanxi-activated group than in the low guanxi-activated group. Second, although the two clusters are more hypothesis-supported than the baseline study, the counterintuitive result indicated that the low guanxi activation group has more supported arguments. We have a stereotype that the guanxi activation group has more connected guanxi; therefore, they would follow the hypothesis.

Table 4.16 Summarise the results of the Hypothesis

The Hypothesis	Study One	HGA	LGA
H1: Sus + Pri	NE	Supported	NE
H2: Sus + Con	Supported	Supported	Supported
H3: Mia - Pri	NE	NE	Supported
H4: Mia + Pow	Supported	Supported	Supported
H5: Mia - Sys	NE	NE	Supported
H6: Mia +Emo	Supported	Supported	Supported
H7: Ren + Pow	Supported	Supported	Supported
H8: Ren + Pri	Supported	NE	Supported
H9: Ren + Sys	Supported	Supported	Supported

“+”: Positively impact, “-”: Negatively impact, “NE”: No effect, “RE”: Reverse impact.

5.2. Discussion of the results of institutional boundary

This chapter also shows the same result as the second chapter. Two groups have been detected, and the AVE is higher in the HGA group compared to the LGA. The HGA group apparently has more guanxi activities than the LGA group, especially in those guanxi consumer behaviour factors. Therefore, the result of the convergent validity shows that the HGA understand the guanxi consumer behaviour. These guanxi boundary differences also impact renqing institutions. The HGA guanxi group has a

lower understanding of guanxi renqing. The field study posits that renqing and guanxi are different; men often connect with others through guanxi methods, and women use renqing to establish relationships (Yang, 1994). The HGA group has a higher percentage of men than the LGA group. The ratio for men and women in the HGA group is 0.83, while the ratio for men and women in the LGA group is 0.70. Renqing cannot generate a unique understanding in the HGA group. Therefore, the renqing impacts on price sensitivity cannot reach a significant level.

5.3. The mechanism of the institution influence behaviour

Based on the boundary differences, the mechanism of institutional influence on economic behaviour can explain a significant observation: the LGA group has more supported hypotheses than the HGA group. The impact of sustainability on the price sensitivity of rational guanxi consumer behaviours is not supported in the baseline study and in the LGA group. The impact of mianzi on the price sensitivity of rational guanxi consumer behaviour is not supported in study one and in the HGA group. Additionally, the impact of mianzi on the symbolic consumption of irrational guanxi is not supported in the baseline study and the HGA group. Lastly, the HGA group does not support the impact of renqing on price sensitivity.

To explain how institutions affect different groups inside and outside certain boundaries, we must understand how people respond to institutions. The influence of institutions on economic behaviour includes both the “restrictive function,” which comes from neoclassical institutional theory and sees mutual agreements among individuals as sets of rules (Khalil, 1995), and the “cognitive function,” which provides information about possible actions by others, allowing recipients to select, organize, and interpret that information (Hodgson, 1988; Greif, 1994; Dequech, 2006).

Earlier research also classifies how people respond to different groups into categories such as Acquiescence, Compromise, Avoidance, Defiance, and Manipulation (Oliver, 1991). Although the article focus mainly on how organisations resist institutions, individuals also have the same potential. These forms of response show that institutions do not simply place one-way constraints on individuals. They can also serve as cognitive references that allow diverse actions within an institutional framework. In this context, HGA and LGA groups are likely to differ in how they accept and use institutions, because they have different views of institutional function.

Different groups often respond to the same institution in different ways because the institution may bring benefits or conflicts. In other words, those who accept the institution will first assess whether it is favourable to them (DiMaggio, 1988). In the context of guanxi consumption under institutional pressure, users focus on whether they can gain more guanxi and meet simple and low-cost needs. These factors guide them to judge whether the institution is beneficial. Based on such motives, different users “translate” or interpret the same institution in different ways. Especially for the high guanxi-active group, which is more frequently exposed to guanxi institutions, they pay closer attention to the parts of the institution that serve their interests and adjust their behaviour accordingly.

The mechanism of institutional influence on economic behaviour can explain why the high guanxi-active group has fewer supported hypotheses than the low guanxi-active group. The high guanxi-active group faces certain institutional impacts, which lead to more cognitive responses. They gather and process information and assess possible actions by others (Hodgson, 1988; Greif, 1994). During this process, they selectively use the information provided by institutions to make consumer decisions (Dequech, 2006). In contrast, the low guanxi-active group is more restrictive, driven by institutional constraints and social norms (Khalil, 1995). This limits their ability to use

external information to adjust or improve their consumption behaviour. Mianzi exerts a negative effect on price sensitivity in guanxi consumer behaviour. If the high guanxi-active group ignores price because of mianzi, it may not be sustainable in the long term. However, findings also show that some people in the high guanxi-active group care about both price and mianzi. Meanwhile, those in the low guanxi-active group, who are strongly influenced by the mianzi institution, pay even less attention to price. This suggests they are more constrained by institutional forces rather than guided by active cognition.

To succeed in guanxi consumer behaviours, one needs to understand guanxi symbolism successfully. The mianzi in this research is close to the self mianzi; in other words, individuals are more concerned about themselves (Hsieh, Kunz and Wu, 2023). According to the “cognitive function” of institutions (Hodgson, 1988; Greif, 1994; Dequech, 2006), such guanxi symbolism provides a framework that guides how people interpret social expectations. However, individuals with higher self mianzi may not actively consider the guanxi symbol, as this requires more energy to accommodate others’ preferences. Since guanxi cannot be fully realised if one fails to account for these symbolic elements, the differing outcomes between HGA and LGA groups suggest that some LGA individuals, facing both guanxi symbol and mianzi considerations, exhibit a negative significant effect. This is consistent with the view that institutions can both constrain and enable behaviour (Khalil, 1995), leading different groups to respond differently based on their priorities and perceived benefits.

Following sustainability guidelines in China is not just an informal practice; it has gained significant government support. One notable initiative is the "Clean Plate Campaign," which the government actively promoted. In 2022–2023, discussions on penalties for non-compliance with this movement underscored the seriousness of the regulations (People’s Daily, 2022). For the HGA Group, which engages heavily in guanxi, adhering to sustainability regulations and optimizing consumption expenses is

a strategic choice, echoing Oliver's (1991) notion that organizations (and individuals) often select compliance or acquiescence when it aligns with their interests. This compliance not only aligns with government directives but also enhances the group's reputation and optimizes the cost of guanxi consumption. Furthermore, from the perspective of institutional "restrictive function" (Khalil, 1995) and "cognitive function" (Hodgson, 1988; Greif, 1994; Dequech, 2006), integrating sustainability into their practices provides a clear framework for interpreting and meeting external expectations, thereby strengthening guanxi by demonstrating a commitment to socially responsible and economically efficient operations.

The differences between HGA and LGA highlight varying mechanisms of institutional influence. The HGA Group engages more extensively with guanxi institutions, which reflects a balance with different institutional forces. They strategically navigate these institutions to maximize benefits in guanxi consumer activities. For HGA, these institutions often serve as informational resources that can be selectively utilized to enhance guanxi-driven consumer behaviour. According to the cognitive mechanisms underlying guanxi consumer behaviours, the HGA Group consistently leverages institutional frameworks to influence guanxi consumer activities favourably.

On the other hand, the LGA Group appears to be constrained by normative institutions. The actions of the LGA Group, guided by concepts such as mianzi (face) and renqing (human feelings), seem to be driven by what is perceived as appropriate or expected behaviour. For instance, maintaining face often takes precedence over financial considerations. This adherence to normative expectations can limit the LGA Group's ability to engage with guanxi-driven consumer behaviour effectively. As a result, the LGA Group may struggle to leverage guanxi relationships to their advantage, as they are more bound by these normative institutional constraints. This limitation can

hinder their flexibility and responsiveness in guanxi consumer interactions, highlighting a stark contrast with the more strategically adaptive HGA Group.

6. Theory implication

This study addresses the confusion and gaps in the existing literature regarding "renqing" and "mianzi" as key variables in guanxi dynamic. Previously, variables influencing consumption were often conflated. Notably, the concepts of "renqing" (human sentiments or obligations) and "mianzi" (face or social prestige) were typically treated as synonymous with guanxi dynamics (Qian, Razzaque and Keng, 2007; Sun, D'Alessandro and Johnson, 2014; Zhou et al., 2015; Tong, Toppinen and Wang, 2021; Tang, 2023). However, this study clearly delineates the roles of renqing, mianzi, and sustainability in rational and irrational aspects of guanxi consumer behaviour. The findings reveal that renqing positively influences symbolic guanxi consumption to care for others' preferences. In contrast, mianzi has a detrimental effect on symbolic consumption, often driving consumption behaviours that are more about preserving or enhancing one's social status rather than showing respect to one's guanxi. Therefore, this research holds clear implications for future studies on guanxi consumption, particularly concerning the distinct influences of renqing and mianzi.

This study is the first to reveal individual differences in interactions within guanxi institutions through cluster analysis, pioneering a new theoretical perspective and providing empirical support for guanxi consumption research, which not only yields meaningful insights for research in guanxi consumption but also bears relevance to the underlying institutional theories that impact consumer behaviours. Especially the group study of institutional perspectives of consumer behaviour (See example, Bashir, 2019; Gleim, Smith and Cronin, 2019). Specifically, we categorised participants into high and low guanxi activity groups, observing distinct interpretations and institutional

interactions regarding guanxi consumption among these groups. This aspect of the study introduces a novel dialogue not previously addressed in the research on institutions and consumption. Furthermore, this is the first study to quantitatively identify institutional boundaries and explore their variations in consumer behaviour area. By doing so, we uncovered significant differences that had not been captured in prior research. These research methodologies enhance our understanding of the complex institution dynamics that influence consumption practices and can significantly inform both theoretical advancements and practical applications in marketing and consumer behaviour studies.

The core theoretical contribution of this study lies in revealing that even within the same institutional context, guanxi consumer behaviour can be influenced through different mechanisms. This research provides evidence for the application of institutional theory, which shows how institutions impact specific consumer behaviours. In the high guanxi activity group, consumers draw on different institutional influences to better achieve their guanxi benefit. We refer to this as the ‘institutional cognitive mode’ (Greif, 1994; Dequech, 2006). In contrast, consumers in groups with limited understanding of guanxi consumption appear more constrained by institutional norms, suggesting they don’t fully utilize or adapt to these influences. These quantitatively derived insights provide evidence for understanding how different groups interact with institutions and how these interactions influence consumer behaviours. This contributes significantly to our comprehension of the mechanisms by which institutions impact consumer actions and guanxi consumer behaviour study in future research.

7. Managerial implication

This study provides important insights for companies seeking to understand

how consumers interact with social institutions. Previous research has not reached a clear consensus on how *guanxi* and *mianzi* together shape consumer behaviour (see example: Sun et al., 2014; Lin, Xi & Lueptow, 2013). Our findings show that, in *guanxi* settings, consumers often balance different or even conflicting needs within a single product or service. For example, when consumers place great emphasis on their own face, they may pay less attention to symbolic or emotional attributes and instead favour products that enhance social status or personal image. Therefore, when a product or service is used in a *guanxi* consumption context, companies should focus on the face needs of the actual payer rather than catering too much to the recipient's preferences. This approach not only helps firms design and position their offerings more effectively but also enables them to balance the roles and expectations of both parties within the social network.

In addition, this study highlights the importance of a specific segment known as “*guanxi* consumers.” Although these consumers often make purchases to maintain relationships, they are not indifferent to price. Instead, they seek a balance among price, face, and the meaning of products or services. When designing offerings for *guanxi* consumption, firms must plan their pricing strategies carefully. Not all *guanxi* contexts allow for high markups. Weighing *mianzi*, value, and price is crucial to maintain profits, reach a broader user base, and maximize potential returns. By understanding these factors and adopting differentiated pricing, companies can create a unique value proposition in a competitive market and deliver offerings that better match the relational needs of *guanxi* consumers.

8. Conclusion and Future Study

This study investigated *guanxi* consumer behaviours under different institutional pressures and boundary conditions. Based on this perspective, we find three main points: First, institutions related to *renqing*, *mianzi*, and sustainability affect both the

rational and irrational aspects of guanxi consumption in different ways. This suggests that institutional factors shape consumers' decision motives and behaviours through diverse channels. Second, the boundary effect of guanxi institutions leads to different interpretations and responses, even when individuals face the same institutional pressures. Drawing on new institutional theory (Khalil, 1995; Hodgson, 1988; Greif, 1994; Dequech, 2006), we note that institutions influence individuals and groups not only through "restrictive functions" (rules or norms) but also through "cognitive functions" (frameworks for interpreting the social environment). Those who interact less with guanxi institutions (e.g., low guanxi activity groups) often lack effective use of institutional resources and are thus more constrained by the "restrictive function," making it harder for them to gain institutional benefits. By contrast, those who interact frequently with institutions (e.g., high guanxi activity groups) can use the "cognitive function" to select or adapt institutional elements that serve their interests, thus achieving better returns. Third, guanxi consumption includes both rational cost-benefit calculations and irrational social or emotional needs. Different institutions (such as renqing, mianzi, and sustainability) play either "cognitive" or "constraint" roles for these two dimensions, which results in distinct decision paths for consumers.

However, this article still possesses certain limitations. Firstly, we deliberately avoided incorporating anti-corruption institutions in our selection due to concerns that survey-based methods might be inappropriate (Millington, Eberhardt and Wilkinson, 2005; Sharman and Chaikin, 2009; Li, 2011; Guo and Li, 2015; Tsetsura, 2015). Nevertheless, the effects of anti-corruption and sustainability on guanxi consumption are comparably influential. Secondly, this study on institutional influence did not employ many mediating variables. As research on guanxi consumption is still in its nascent stages, many preliminary studies have not yet been established, hence the absence of complex structures in our findings. Moreover, the sub-determinants of guanxi consumer behaviour are sophisticated, and we previously advised against

segregating rational and irrational behaviours for separate studies, making the design of further path analyses and interaction effects challenging.

In future research, it is recommended to use a qualitative approach to explore how corruption and anti-corruption function within the framework of guanxi consumption. While previous studies often mention that corruption commonly takes place through gifts or various consumption activities (Lambsdorff & Frank, 2010; Qian et al., 2007; Tsetsura, 2015; Yang & Paladino, 2015), there is still no systematic review of how anti-corruption or corruption affects the rational side of guanxi consumption and changes its symbolic meaning. Although this study proposes that guanxi consumption includes both rational and irrational elements, our quantitative method limited our ability to reveal how anti-corruption policies influence companies, government agencies, and other stakeholders when they face institutional pressure. A qualitative study could offer a closer look at how these actors adjust their guanxi consumption strategies under such pressure, providing richer insights and more targeted recommendations for both guanxi consumption theory and anti-corruption practice.

In previous studies, scholars found that face can influence materialism, affecting specific consumption behaviours (Sun et al., 2014). Additionally, self-face can serve as a mediator for impulsive virtual gift purchases (Hsieh et al., 2023). These findings suggest new directions for exploring guanxi consumption under other institutional influences. For example, future research could examine whether additional mediating or moderating factors link face and guanxi consumption or whether renqing and respect for others' face might form new pathways that influence guanxi consumption.

In previous guanxi research, scholars have studied guanxi networks in rural settings (Brown et al., 2011; Yan, 2002). For example, they examined various renqing-based consumption activities in villages. Because rural areas differ from cities in

economic conditions and institutional environments, these behaviours naturally differ from those found in urban contexts. However, our study relied mainly on online surveys, which largely cover urban or web access populations and thus do not fully capture rural situations (Bethlehem, 2010). In the future, researchers could use offline questionnaires or fieldwork in rural areas. This would allow for a more detailed understanding of how renqing and mianzi interact in village guanxi settings, providing richer evidence on regional differences in guanxi consumer behaviour.

9. References

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10. Appendix

Variables

Cognitive institution pressure: Renqing (Qian, Razzaque and Keng, 2007).

REN1. I do not like to owe other people renqing (favours)

REN2. I do not feel obligated to return someone a renqing (favour)

REN3. It is easy enough to repay a debt but hard to repay renqing (favours). It is more urgent to pay back renqing (favours) than debt.

Cognitive institution pressure: Mianzi (Sun, D’Alessandro and Johnson, 2014).

Mia1. I feel people think that I need to do better than most others.

Mia2. I feel that I need to talk about things that most others do not know.

Mia3. I feel that I need to have a better life than most others in others’ view.

Rational guanxi consumption: Convenience (My chapter three).

CON1. When developing, maintaining, and using my relationship, I tend to opt for methods of consumption that are less time-consuming.

CON2. When developing, maintaining, and using my relationship, I tend to opt for methods of consumption that are less energy consuming.

CON3. When developing, maintaining, and using my relationship, I tend to opt for methods of consumption that are easier.

Rational guanxi consumption: Price (My chapter three).

PRI1. When spending money on important guanxi recipients, such as entertaining, gift-giving, and hanging out, I search for ways to maximise cost-efficiency.

PRI2. When spending money on important guanxi recipients, such as entertaining, gift-giving, and hanging out, I will consider the cost first.

PRI3. When spending money on important guanxi recipients (e.g. entertaining, gift-giving or hanging out), I will not care about the price*.

Rational guanxi consumption: Power (My chapter three)

POW1. I will be the one who dominates when I spend for my guanxi (e.g. various entertaining, dining and gift-giving)

POW2. I will be the one who has an influence on others in the relationship when I spend money for my guanxi (e.g. various entertaining, dining and gift-giving)

POW3. I will be the one who can guide others better in the relationship when I spend for my guanxi (e.g. various entertaining, dining and gift-giving)

Irrational guanxi consumption: Symbolic (My chapter three)

SYM1. When spending money on my guanxi (such as various forms of entertainment, dining and gift-giving), I am concerned about whether the significance of the product and service (such as love, care, sincerity, etc.) will be conveyed to the recipient of my guanxi (whether it is a friend, business relation, family member, or otherwise).

SYM2. When spending money on my guanxi (e.g. various entertaining, dining and gift-giving), I will avoid buying or consuming any products or services (e.g. I will never buy still water for my newly-married female friend, which may make her confused) that cannot let the recipient of my guanxi feel any significance (love, care and sincerity, etc.).

SYM3. When spending money on my guanxi (e.g. various entertaining, dining and gift-giving), I will avoid buying or consuming any products or services (e.g. I will never buy an umbrella for my newly-married female friend, which may make her misunderstand it as “Breaking up”) that will cause misunderstanding to the recipient of my guanxi.

SYM4. When spending money with my guanxi (e.g. various entertaining, dining and gift-giving), I will care about the meaning of choosing goods and services (love, care, sincerity, etc.). It is appropriate for the object of my guanxi consumption (friends, business partners, family, etc.) in the current relationship stage.

SYM5. When I am engaged in guanxi consumption, I will deliberately avoid choosing certain goods and services because they (product and service) are unsuitable for the current stage of my relationship development (for example, giving rings to unfamiliar opposite sex).

Irrational guanxi consumption: Emotion (My chapter three).

EMO1. Consuming with my relationship will make me feel cheerful.

EMO2. Consuming with my relationship will make me feel happy.

EMO3. Consuming with my relationship will make me feel great.

Chapter Five: Conclusion

1. The overview of main chapters

Consumer research is currently undergoing significant breakthroughs, with the focus shifting from individual to group studies (MacInnis *et al.*, 2020) and the disciplinary perspective moving from economics to sociology and even institutional theory (Warde, 2015). Our research proposes that guanxi consumer behaviour is consumer behaviour influenced by China's unique guanxi institution, extending the subject of study from the individual to groups based on Chinese human relationships. Thus, guanxi consumer behaviour theory is at the forefront of consumption theory. The core content of this thesis is the development of guanxi consumer behaviour theory. The main structure of the study begins with proposing guanxi consumer behaviour as the theoretical foundation and establishing its existence through analysis. Once the existence of guanxi consumer behaviour is confirmed, we need to quantify it to facilitate future consumer research. Finally, based on the quantitative results of guanxi consumer behaviour, we conducted tests on the relationship between guanxi consumer behaviour and related systems. We further explored the interactions between guanxi consumer behaviour and other systems within the institutional consumption framework.

Chapter two primarily discusses the core concepts of guanxi consumer behaviour, including its theoretical background, definition, and classification. Guanxi consumer behaviour originates from the influence of institutions on consumer behaviour, the institution consumption perspective that has been addressed in multiple articles (Coşgel, 1997; Yang and Su, 2014; Dolbec and Fischer, 2015; Ben Slimane *et al.*, 2019). Our theory of guanxi consumer behaviour is rooted in this institutional consumption perspectives. The impact of institutions on consumer behaviour can be considered as a novel consumer field, where previous consumption encompassed the 'economic man' assumption (Zukin and Maguire, 2004). The guanxi, as an informal Chinese institution, can affect

Chinese consumer behaviour. Guanxi consumer behaviour is defined as enhancing, maintaining, and utilising relationships through consumption activities. The guanxi consumer behaviour contains buying products and services, which surround us from everyday life. We further categorise guanxi consumer behaviour into rational guanxi consumer behaviour and irrational guanxi consumer behaviour. The need for power, price sensitivity, and need for convenience belong to rational guanxi consumer behaviour. The irrational guanxi consumer behaviour includes guanxi symbolic and emotional effect.

To define guanxi consumer behaviour, we employed an integrative review method, selecting relevant literature from thousands of articles, including behaviours such as relationships, renqing, mianzi, and gift-giving (see example: Qian, Razzaque and Keng, 2007; Shi et al., 2010). Ultimately, we identified 52 articles related to guanxi consumer behaviour. These were categorised into three groups: other or related consumption behaviours and guanxi, specific consumption and guanxi phenomena with theoretical discussions, and the dynamics of guanxi for specific entities. In total, we identified 15 types of guanxi consumer behaviour, encompassing both products and services.

In Chapter three, we established a measurement scale for guanxi consumer behaviour based on the definitions, classifications, and theoretical backgrounds outlined in Chapter two. The scale related to institutional aspects needs more discussion on the institutional theory itself (Goldsmith, Flynn and Kim, 2010; Balderjahn, Peyer and Paulssen, 2013; Alvarado-Herrera et al., 2017). Since institutional effects are not uniformly distributed across individuals, various types of boundaries emerge (Lamont and Molnár, 2002). Thus, establishing the guanxi consumer behaviour scale necessitated considering the underlying institutional concepts. The construction of the guanxi consumer behaviour scale was based on our classification of guanxi consumer

behaviour and five determinants under rational and irrational guanxi consumer behaviour, namely power, price, convenience, symbolic value, and emotion. This chapter reviewed relevant literature and performed selection and comparison. During the development of the guanxi consumer behaviour scale, we differentiated between high-active and low-active guanxi groups, as well as wide and narrow guanxi groups. We found that data performance was better in high-active and wide guanxi groups, which also confirmed the impact of institutional boundaries on consumer behaviour in guanxi consumer behaviour. Consumers showed a higher understanding in high-active and broad guanxi groups. This chapter developed a measurement mechanism for guanxi consumer behaviour and discussed the changes brought about by institutional boundaries in guanxi consumer behaviour.

The entire study collected data from all consumers through a questionnaire survey. Using a deductive approach (Hinkin, 1995), we designed the questionnaire based on the previously proposed framework for guanxi consumer behaviour. A total of 810 valid questionnaires were collected. These questionnaires were divided into two groups. We used k-means and pam methods for clustering, followed by exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) on the clustered data, leading to the conclusions mentioned above. Since guanxi consumer behaviour involves different groups, we conducted invariance testing on these groups at the end, finding a degree of consistency.

Chapter Four analyses the institutional aspects related to guanxi, such as renqing, mianzi, and sustainability concepts discussed in the literature from Chapter Two, and explores how these institutions influence guanxi consumption. We continue to discuss the institutional boundaries in the measurement of guanxi consumption and note that research articles related to institutional consumption often lack deep discussions on institutional frameworks and tend to focus more on phenomenological research(See

example: Bashir, 2019; Gleim, Smith and Cronin, 2019). According to institutional theory, we consider renqing and mianzi as cognitive institutions and sustainability as regulative institutions, examining how these affect the rational and irrational aspects of guanxi consumer behaviour. The experimental results provide more support for our hypothesis in the low-active guanxi groups. For instance, although we initially thought that individuals who highly value mianzi would be insensitive to pricing in high-active guanxi groups, the findings indicated that this phenomenon was more prevalent in low-active guanxi groups. Based on these findings, we discuss how different individuals exhibit diverse consumer behaviours under the influence of institutional boundaries. Additionally, we observe differences in how individuals consider institutions; people who frequently interact with institutions, such as those in high-active guanxi groups (HGA), tend to exploit these institutions more, whereas groups with less interaction with institutions, such as low-active guanxi groups (LGA), are more likely to be constrained by them.

Chapter four employs a survey method, with questions derived from established scales. The guanxi consumer behaviour part is taken from the scale developed in Chapter two, while the sections on renqing, mianzi, and sustainability are based on several prior studies and integrated with institutional theory. We collected a total of 615 questionnaires. We conducted two studies: one exploring the impacts based on our hypotheses and another following a cluster analysis. Both studies utilised confirmatory factor analysis and structural equation modelling as analytical tools. The confirmatory factor analysis was used to ascertain the reliability and validity of our questionnaire, whereas the structural equation modelling was employed to explore the interrelationships among the variables. Lastly, we confirmed the good fit of our structural equation model through goodness of fit tests.

Table 5.1 The key finding of three main chapters

Chapter names	Research aim	Methods	Key finding
Chapter Two: Guanxi consumer behaviour: Theory background, definition, and classification.	Create the concept of guanxi consumer behaviour from institutional perspectives.	Integrative review	1. Summarised the article from guanxi-related consumption. 2. Created concept of guanxi consumer behaviour. 3. Classified rational and irrational guanxi consumer behaviour and find its determinates.
Chapter Three: Guanxi consumer behaviour: Scale development, validation, and cluster analysis under institutional consideration	Create the measurement scale of guanxi consumer behaviour by considering institutional boundary.	1. Survey methods. 2. Cluster analysis 3. Explanatory factor analysis and confirmatory factor analysis. 4. Measurement invariance.	1. Created scale for guanxi consumer behaviour. 2. Find out the understanding difference between the high guanxi activate group and the low guanxi activate group.
Chapter Four: Who has been constrained by the institution: The Impact of Normative and Cognitive Institutions on Guanxi Consumer Behaviour	Test the impact of renqing, mianzi, and sustainability on rational and irrational guanxi consumer behaviour under institutional boundaries.	1. Survey methods. 2. Cluster analysis. 3. Confirmatory factor analysis. 4. Structure equation modelling.	1. Find out how renqing, mianzi and sustainability impact guanxi significantly. 2. Find out different groups have different significant levels of impact.

This thesis not only focuses on understanding guanxi consumption but also follows a potential theoretical path. We divide the institutional perspective into two stages: the first stage focuses on how institutions give rise to new consumption behaviours, and the second stage explores how consumers interact with institutions. Chapter 2 is mainly based on the first stage and explains the emergence of guanxi consumption, while the concept of guanxi consumer behaviour also provides theoretical support for this stage. Chapters 3 and 4 focus on the interaction between consumers and institutions. Using the concept of institutional boundaries, we measure how consumers show different

behaviours toward the same institution under these boundaries. In this way, our in-depth study of guanxi consumer behaviour further contributes to the institutional perspective.

2. The main contribution of the three chapters

The thesis contributes significantly to the guanxi consumer behaviour field and the concept of institutional consumption perspectives. Chapter Two serves as the theoretical foundation and facilitates research related to interpersonal relationships on a global scale, given that different countries have various human relationship institutions (See example: Michailova and Worm, 2003). Guanxi consumer behaviour can provide a theoretical foundation for other types of consumption influenced by institutions, as the establishment of institutions relies on social structures, which invariably involve interpersonal relationships. Therefore, guanxi consumer behaviour will form the basis of institutional consumption. Lastly, the concept of guanxi in consumer behaviour can help break boundaries in market research. Traditional marketing research typically focuses on the individual as the unit of analysis. A key argument in recent research suggests that the focus should shift from individuals to groups. (MacInnis et al., 2020). The Guanxi consumer considers the consumer not only individually but also as part of the Guanxi circle. This aligns with the advancement of boundary-breaking in marketing research.

The guanxi consumer behaviour scale not only lays a solid foundation for the future measurement of guanxi consumer behaviour but also adds value to the institutional consumer area. Through empirical measurement, we discovered that consumers find it difficult to detach from their overall guanxi circles at the behavioural level, even maintaining at least basic relationships with friends or colleagues in contexts of low guanxi activity. Thus, we have identified the true institutional boundaries of guanxi consumer behaviour. Our data also confirmed that the five determinants of guanxi consumer behaviour are statistically significant. In previous analyses, the

boundaries of institutional frameworks were not confirmed statistically, the researcher often selected the qualitative research (Ben Slimane et al., 2019). Through unsupervised cluster analysis, we observed these boundaries and found differing perspectives on guanxi consumer behaviour inside and outside these boundaries. Another contribution for the chapter three. The study of the guanxi consumer behaviour scale also contributes to the holistically duality thought within the institutional field, particularly providing an economic perspective for more consumption of institutional perspective and necessitating an overall examination from both economic and institutional viewpoints. Guanxi consumer behaviour scale can offer more enterprises methodologies for surveying guanxi consumer behaviour in future management practices, enabling businesses to incorporate individuals and their underlying guanxi groups more comprehensively into their strategic considerations.

Chapter four finds the impact of related institutions and guanxi consumer behaviour, which contributes to the clarity between these interweaved concepts. This empirical research in Chapter Four clearly analyses the institutions related to guanxi consumption, such as renqing (Qian, Razzaque and Keng, 2007), mianzi (Shi et al., 2010), and sustainability (Wang et al., 2022), and their interactions with guanxi consumption, particularly how they each interact with rational and irrational guanxi consumption. Chapter four extends the view on the institutional boundary, finding empirical evidence of interaction between guanxi consumer behaviour and related institutions under the institutional boundary. The result of chapter four shows different result insight and outside of the boundary. which confirmed institutional can lead different consumer practice. Moreover, this research aids in a more profound understanding of how institutions affect different individuals, finding that those who frequently interact with institutions are better at utilising them. This also provides a theoretical basis for future discussions on institutional interactions.

Table 5.2 The contribution of three main chapter

Chapter	The contribution:	The related areas that are contributed to:
Chapter 2	1.Establishes concept of guanxi consumer behaviour under institution perspectives. 2.Advocates for a shift in market research from individual-centric to group-centric analysis. 3. providing a more comprehensive perspective for future research on institutional and consumption behaviours.	The study of global human relationship consumption The future boundary-breaking marketing research. The new consumer research from an institutional perspective.
Chapter 3	1. Develops a robust scale for measuring guanxi consumer behaviour 2. Identifies and statistically confirms the boundaries of guanxi consumer behaviour. 3. Enhances understanding of guanxi consumer behaviour by integrating economic and institutional perspectives.	The future research of guanxi consumer research. The concept of institutional boundary study. The consumer research from an institutional perspective.
Chapter 4	1.Provides a detailed case study analysing how institutions like renqing, mianzi, and sustainability interact with guanxi consumer behaviour, offering new empirical insights. 2.Differentiates the effects of institutions on guanxi behaviour inside and outside institutional boundaries. 3.Demonstrates the mechanisms of different reactions from individuals when they encounter the same institutions.	Consumer research from an institutional perspective. The concept of institutional boundary study. The institutional theory

3. The limitations and future studies

The limitations of our study come from three aspects: first, the limitations of our methods; second, the limitations of cross-cultural research; and third, the limitations of research that combines with technology. Our study mainly uses quantitative research methods, such as scale development and structural equation modelling, and only uses an integrative review as a qualitative method in the theoretical definition section of Chapter Two. Therefore, there is a deficiency in the application of qualitative research methods. Although the current methods can verify the hypotheses of guanxi

consumption, relationships have two sides. Previous research on the "dark side" has focused on corruption and mainly discussed corruption as an outcome (Gu et al., 2008; Sherry et al., 1993; Warren et al., 2004) rather than examining its rational and irrational aspects within a guanxi consumption framework. At the same time, when investigating the consumption structure of general guanxi (for example, between spouses and parents), more qualitative research methods are needed to supplement and improve the existing research.

Current research is mainly limited to the specific relationship context of China, and it ignores the diverse relationship groups in different cultures worldwide. Each country has unique interpersonal relationship systems (see example: Michailova & Worm, 2003). Cross-cultural research can help clarify the differences between relationships in various countries and provide a global perspective for guanxi consumption theory, which is an important area for future research.

As a preliminary exploration of consumer theory, this paper focuses more on theoretical construction and does not fully align with global technology trends. Current research on consumer behaviour relies on emerging technologies such as big data and the Internet ecosystem (Harikesh S. Nair et al., 2017; Tan & Saraniemi, 2023; Xu et al., 2022), but our discussion is abstract and focuses more on the theoretical level. This makes the research on the integration of technology weak. Future research should introduce more empirical studies on emerging technologies such as big data, artificial intelligence, and blockchain to enhance the practical applicability and forward-looking nature of the theory.

The expansion of guanxi consumption can be explored through three dimensions: depth, breadth, and future. Currently, expansion can be divided into depth and breadth.

In terms of depth, the scenarios and specific consumption patterns of guanxi consumption can be thoroughly investigated through observation, interviews, and focus groups to enrich the understanding of forms and contexts of guanxi consumer behaviour. Furthermore, a deeper examination of specific guanxi behaviours, such as those among spouses, parents, and friends, is also feasible. Simultaneously, we contend that guanxi consumption can serve as a significant template in global research since every country has its own interpersonal relationship institutions. From the perspective of future research expansion, guanxi consumption could be integrated with cutting-edge technologies such as the internet, big data, artificial intelligence, and blockchain. Moreover, these future studies should not only view technology as a medium or tool for research but also as a facilitator of mutual enhancement. The expansion in depth, breadth, and future directions can gradually shape guanxi consumption research into a comprehensive and meaningful research topic.

Guanxi consumer behaviour can be explored through qualitative analysis to uncover more phenomena of consumption based on institutional perspectives. Taking consumption research that is grounded in institutional theory as an example, it is evident that institutions can influence consumption, but the role of consumption can also advance the evolution of institutions (Ben Slimane et al., 2019). Various evolutionary processes within guanxi consumer behaviour involve different actors and their roles in driving changes in guanxi consumption. These studies require qualitative methods, such as observation and interviews, to investigate guanxi consumption across different regions and demographics. Of course, guanxi is dynamic; the nature of guanxi today differs from those of the past decade (Horak and Restel, 2016), and regional and gender differences can lead to varying understandings of relationships (Yang, 1994). These differences in understanding can further lead to variations in consumption habits. Thus, these variations also necessitate in-depth investigation through qualitative research.

We can also delve deeply into the consumption patterns underlying each type of human relationship. Adopting a method of classifying consumption rather than directly using relationship-based categories also provides greater flexibility in relationship research. We can systematically study specific relationships between spouses, parents, friends, etc., to gain more insights into guanxi consumption practices. This approach also facilitates the identification of theoretical pathways through an in-depth investigation of these relationships.

From the perspective of research breadth, guanxi consumer behaviour is a theory developed based on China's interpersonal relationship systems. However, such systems of relationships are not exclusive to China; they are also present globally, for example, in countries like Japan, South Korea (Horak and Taube, 2016), the Arabian world (Smith et al., 2012), Brazil (Smith et al., 2012), and Russia (Ledeneva, 1996; Michailova and Worm, 2003), each with its own unique relationship systems. Studying how these human relationship institutions specifically influence consumer behaviours, and whether these consumer behaviours can in turn drive the evolution of guanxi consumption, will become valuable research topics. These inquiries will potentially contribute significantly to the field of guanxi consumption in the future.

Current marketing research is increasingly integrating closely with technology, leading to fascinating new studies involving the internet (Peterson, Balasubramanian and Bronnenberg, 1997), big data (Harikesh S. Nair et al., 2017), artificial intelligence (Noble and Mende, 2023), and blockchain technologies (Tan and Saraniemi, 2023). According to the theory of a liquid society, the advent of the internet has increased our fluidity (Bauman, 2000; Bardhi and Eckhardt, 2017). However, contrary to the isolation described in liquid modernity, we believe relationships are being formed in new dimensions rather than leading to isolation (Anson Au, 2023). For instance, various forms of online romances and relationships with online colleagues indicate that the

internet enriches rather than isolates interpersonal relationships. Therefore, new studies on guanxi consumer behaviour could explore intriguing areas, such as gifting in games (Xu, Ye and Liu, 2022), necessitating a guanxi perspective.

The combination of big data and artificial intelligence is directed by sociological or institutional orientations because it represents a fundamental pattern of consumption. Institution construction needs involve media (Dolbec and Fischer, 2015); previously, this was through print media, but now it is through new media. This shift allows for the analysis of massive data feedback on populations. While previous research viewed individuals as separate entities, the concept of guanxi consumption considers the smallest research unit as a group of relationships (MacInnis et al., 2020), thereby increasing the complexity of research. Therefore, advancements in big data and artificial intelligence are likely to enhance guanxi consumption research. Guanxi consumer studies need the support of the latest big data and artificial intelligence algorithms, and of course, the application of AI must also consider the complexity of the subject characteristics, thereby fostering mutually beneficial research outcomes.

The establishment of relationships gradually accumulates trust, and blockchain resolves trust issues through code. As the future of decentralised applications progresses, trust becomes more convenient (Tan and Saraniemi, 2023), but does this also facilitate changes in human relationships? These can technologically affect guanxi dynamics, especially with the emergence of decentralised social platforms. Furthermore, much of today's online consumption falls under what we refer to as liquid, access-based consumption because the internet is centralised, thus access is granted by a central authority. However, genuine ownership in the virtual world could emerge under the influence of blockchain technology. Therefore, decentralised social interactions and gaining real ownership of virtual items elevate guanxi consumption to a new level, leading to fascinating research outcomes.

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