2026 International Journal of Management Science Research, Vol.9, Issue 10, (Oct)
ISSN 2536-605X
DOI: 10.66069/ojspub.25361009

# The Effect of Upward Social Comparison on Residents' Intention to Upgrade Consumption Quality: The Mediating Role of Compensatory Consumption Motivation

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**Abstract:** ***Against the backdrop of the current economic situation, China is in a critical period of continuously promoting the expansion of domestic demand. With rapid economic development and the sustained improvement of people's living standards, residents' requirements for consumption quality have steadily increased. At the same time, however, the phenomenon of upward social comparison has become increasingly prominent—that is, individuals frequently compare their own consumption levels with those of others, thereby generating a "comparison psychology." This upward social comparison not only influences individual consumption behavior but also exerts a profound impact on the broader consumer market. Under its influence, consumers are more susceptible to others' consumption behaviors and develop a heightened desire to enhance their own consumption. Compensatory consumption motivation, as an important psychological driver, emphasizes that individuals attempt to compensate for perceived deficiencies in other domains through their consumption choices, thereby achieving psychological balance. Therefore, investigating the mechanism through which upward social comparison affects residents' intention to upgrade consumption quality—and exploring the mediating role of compensatory consumption motivation—holds significant theoretical and practical importance for promoting consumption upgrading and stabilizing market expectations. The research findings indicate that: (1) upward social comparison significantly enhances residents' compensatory consumption motivation; (2) compensatory consumption motivation significantly increases residents' intention to upgrade consumption quality; and (3) upward social comparison directly and significantly promotes residents' intention to upgrade consumption quality, with compensatory consumption motivation serving as a partial mediator in this relationship.***

**Keywords:** Upward social comparison; Compensatory consumption motivation; Intention to upgrade consumption quality; Expansion of domestic demand; Consumption upgrading.

## 1. INTRODUCTION

With the rapid economic development and continuous social progress, China is at a crucial stage of economic transformation and upgrading. In this context, the consumption levels and consumption concepts of residents are also undergoing profound changes. Consumers no longer merely satisfy basic survival needs but place greater emphasis on consumption quality and experience, pursuing higher-level consumption satisfaction. In today's society, there is a common phenomenon of people observing and comparing others' consumption behaviors and lifestyles. This upward social comparison not only affects an individual's psychological state but also has an impact on an individual's consumption behavior and the intention to upgrade consumption quality. At the same time, upward social comparison will, to a certain extent, stimulate an individual's willingness to upgrade consumption quality because individuals often draw on others' consumption behaviors and lifestyles, hoping to gain higher social status and recognition by improving their own consumption levels. Therefore, upward social comparison has a certain influence on residents' intention to upgrade consumption quality. The manifestation of the compensatory consumption motive can be seen in that consumers hope to make up for their deficiencies or losses in other aspects through material compensation when purchasing goods or services. The consumption behaviors driven by this motive often have an obvious psychological compensation nature. Consumers tend to choose high-value and high-quality goods or services to meet the needs of self-worth and social recognition. The manifestation of the compensatory consumption motive is also reflected in consumers' pursuit of aspects such as product functions, quality, and brands. They are more willing to pay for products with symbolic meaning or uniqueness to achieve the strengthening and compensation of self-image. In the actual consumption process, the manifestation of the compensatory consumption motive may be that consumers are insensitive to prices and pay more attention to the added value and emotional resonance of goods, thus choosing products for which they are willing to pay a higher price. Therefore, studying the mechanism of how upward social comparison affects residents' intention to upgrade consumption quality under the background of expanding domestic demand and exploring the mediating

effect of the compensatory consumption motive in it are hoped to help the government deeply understand the consumption behaviors and psychological mechanisms of Chinese residents, encourage residents to carry out consumption upgrading, thereby stimulating domestic demand and promoting economic growth.

## 2. THEORETICAL BASIS

### 2.1 Social Comparison Theory

The social comparison theory suggests that human individuals hope to conduct self-evaluation in a relatively objective and non-social way, and this need has always been strong. At the same time, this theory also holds that accurate and stable self-evaluation is very important for individuals. The social comparison theory is proposed based on the following assumption: compared with other ways, individuals prefer to evaluate themselves through objective and non-social criteria. When it is difficult to obtain sufficient objective information to conduct self-evaluation, individuals will choose to compare with others to obtain enough information to complete self-evaluation.

In addition, the social comparison theory also points out that after individuals complete the comparison with others, they will try their best to reduce the differences between themselves and others through reasonable channels and methods. It is worth mentioning that different comparison objects will result in different relative positions of individuals' viewpoints, attitudes, and behaviors. Therefore, in 1954, American social psychologist Festinger classified social comparison into the following three categories according to the relative positions of the individual self and the comparison object, namely upward comparison, parallel comparison, and downward comparison (Pan Chao et al., 2023). Among them, upward comparison refers to the individual choosing an individual at a higher level than themselves as the comparison object, parallel comparison refers to the individual choosing an individual at a similar level to themselves as the comparison object, and downward comparison refers to the individual choosing an individual at a lower level than themselves as the comparison object. Zhang Fengjuan et al. (2022) believe that one of the reasons why individuals prefer upward comparison is that they think this kind of comparison can help them improve their self-evaluation. At the same time, comparing with individuals better than themselves can motivate them to become better, which is a pleasant process. Therefore, compared with downward comparison, upward social comparison has a stronger promoting effect on individuals. However, some scholars hold the opposite view. Huang Xin (2019) pointed out that upward social comparison may lead to individuals having inferiority complex, thus hurting individual self-esteem and weakening happiness. Ding Qian et al. (2017) pointed out that in the Chinese cultural tradition, people are used to maintaining their social relations through material wealth. Therefore, using 轻奢 products in important social occasions is very important for Chinese people who need to maintain their status and image.

### 2.2 Compensatory Consumption Theory

Compensatory consumption refers to the consumption behavior or tendency shown when residents' consumption desires and demands cannot be satisfied. Pan Ding et al. (2022) pointed out in their research that in order to alleviate the state of self-inconsistency, consumers tend to purchase and use symbolic products or services, thereby enhancing their overall consumption level. Consumers will spend more money on products or services that can bring them a sense of satisfaction and achievement, and shape the image of their ideal self by showing these purchased products to the outside world and others, meeting their needs to display status or power. Luo Li et al. (2021) believed in their research that a large inconsistency between the ideal self and the real self will stimulate consumers and prompt them to make consumption behaviors to relieve the discomfort brought by this stimulation.

The theoretical basis of compensatory consumption is the symbolic self-completion theory, which was proposed by Wicklund et al. in 1982. Wu Shijun et al. (2020) pointed out in their research that symbolic self-completion only solves self-differences but does not fundamentally understand the reasons for the differences and solve them. Although this compensatory consumption behavior cannot completely make up for the deficiencies in actual performance, it can indeed reduce some self-differences (Chen Jie et al., 2018). In real life, people with lower social status are more eager to engage in status consumption to narrow the social status gap between themselves and others. When low-income consumers compare themselves with wealthy consumers, they will strongly realize the huge gap between them. The existence of this gap prompts them to strive to obtain and display the same property level as the wealthier people, and thereby restore the reduction in happiness caused by the gap with others (Li Zhen et al., 2018).

Luo Ziwei et al. (2018) believe that consumers engage in compensatory consumption to make up for the damage to their self-esteem caused by the lack of self-reality. They believe that there are mainly two mechanisms that lead to this compensatory tendency in consumers: First, when there is a difference between needs and motives, consumers still do not have a clear understanding of their true needs and are easily influenced by external stimuli such as advertising and marketing to make consumption behaviors; Second, when there is a difference between needs and motives, consumers have a clear understanding of their true needs, but lack sufficient resources or conditions to meet this need. In this case, they will choose to buy similar substitutes with lower prices to meet their own needs. For example, for single men or women, since they cannot obtain the companionship and love from a spouse, they will choose to have frequent dinners or reunions with friends or family to obtain companionship and love. There are great similarities between the scenarios where the above two mechanisms are located, that is, in no matter what situation, the true needs of individuals cannot be truly satisfied.

## 3. HYPOTHESIS PROPOSAL

One of the important motivations for consumers to purchase non-essential items such as luxury products is to gain status or prestige. Therefore, such consumers pay particular attention to their social status and often evaluate their own status by comparing with others. Huang Hongyuan et al. (2021) conducted an empirical study and found that people with less wealth and lower income are more inclined to purchase ostentatious goods such as watches and jewelry; consumers hope to improve their social status through their own efforts to distinguish themselves from others and tend to imitate or follow the consumption behaviors of higher-class people to shape their own images; with the development of the social economy and the improvement of residents' income levels, people increasingly spend money on goods that can represent personal identity and status, and a large part of their income will be used to purchase ostentatious products such as cars, jewelry, and clothing. Vogel et al. (2015) pointed out in their research that in the process of making social comparisons, consumers strive to 跻身上层阶级 by purchasing and using products or services with status-symbolic meanings. Therefore, based on the above analysis, the following hypothesis is proposed:

H1: Upward social comparison has a positive and promoting effect on residents' intention to upgrade their consumption quality.

The pursuit of beautiful things is the fundamental driving force for all human behaviors. Li Kun et al. (2020) pointed out in their research that consumers are accustomed to shaping their own images and status by obtaining and using certain goods with symbolic value. Therefore, when their identity or status is threatened, consumers will choose to display these goods with identity or status-symbolic value to cope with this threat. In the context of social comparison, consumers compare themselves with others at a higher level, that is, conduct upward social comparison. Although this can, to some extent, greatly encourage consumers to make greater efforts to improve themselves, it is more likely to lead to consumers having an inferiority complex. The existence of this inferiority complex prompts consumers to make compensatory consumption to help themselves reduce the sense of inferiority. Argo et al. (2006) pointed out in their research that in the context of non-material social comparison, consumers have an inferiority complex due to the threat to their self-concept, and the strong inferiority complex prompts them to upgrade their consumption to help themselves re-establish a sense of superiority in material consumption. This shows that in the context of non-material consumption, inappropriate upward social comparison will stimulate consumers to participate in consumption upgrading and use this to restore their sense of superiority. Therefore, based on the above analysis, the following hypothesis is proposed:

H2: Upward social comparison has a positive promoting effect on residents' compensatory consumption motivation.

Compensatory consumption refers to consumers' purchase of certain symbolic goods to offset some psychological deficiencies or perceived threats. Wang Xianghong et al. (2016) conducted an empirical study and found that when individuals believe their intelligence is threatened, they will pay more attention to products related to intelligence such as books rather than products with low relevance such as bread. There are various ways for individuals to manage themselves, and personal property is one of them, which can be used to compensate their self-evaluation status after being threatened; consumers who feel their face is damaged prefer to buy famous brand goods, and personal face damage can form their preference for brand goods by influencing consumers' consumption tendency. Therefore, based on the above analysis, the following hypothesis is proposed:

H3: Compensatory consumption motivation has a positive promoting effect on residents' intention of consumption

quality improvement and upgrading.

Jin Xiaotong et al. (2020) showed in their research that when consumers with lower social status compare themselves with wealthier consumers, the significant difference makes the former feel inferior, and then they realize the huge gap between their real self and ideal self, which will prompt them to strive to obtain and display the same material wealth as the comparator to reshape their self-concept. When an individual sees that other individuals have abundant material wealth, a strong desire to obtain such wealth will arise in their heart; when individuals conduct upward social comparison, they are prone to feel inferior and jealous, thus enhancing their compensatory consumption psychology and prompting them to buy expensive and ostentatious goods with symbolic meaning (Wang Ruihan, 2022). The way consumers cope with threats is not only a manifestation of their ostentatious psychology but also contains their compensatory psychology, hoping to make up for their inner sense of frustration by obtaining more ideal material wealth; in the context of non-material social comparison, consumers feel inferior because their self-concept is threatened, and the strong sense of inferiority prompts them to upgrade their consumption to help themselves re-establish their superiority in material consumption. This shows that in the context of non-material consumption, inappropriate upward social comparison will stimulate consumers to participate in consumption upgrading and use this to restore their sense of superiority. Therefore, based on the above analysis, the following hypothesis is proposed:

H4: Compensatory consumption motivation plays a mediating role between upward social comparison and residents' intention of consumption quality improvement and upgrading.

## 4. DATA COLLECTION AND VARIABLE MEASUREMENT

### 4.1 Data Collection

In this study, data was collected through questionnaire surveys. The questionnaires were mainly distributed in two ways: offline (paper questionnaires were distributed around local high-end shopping malls and large commercial areas) and online (online distribution was carried out using the Wenjuanxing platform). A total of 825 completed questionnaires were collected, including 265 offline questionnaires and 560 online questionnaires. The survey period was from November 2023 to February 2024. To improve the validity of the questionnaire data, questionnaires with too short online response times were excluded. Finally, 712 valid questionnaires were obtained, and the valid questionnaire ratio was 86.3%.

### 4.2 Variable Measurement

In this paper, the explanatory variable is upward social comparison (labeled BJ), which is measured by 5 items, such as "I usually compare myself with those who are richer than me" (Burleson et al., 2011); the explained variable is the intention of residents' consumption quality improvement and upgrading (labeled YY), which is measured by 4 items, such as "I am willing to buy luxury goods to improve my quality of life" (Zhang Liangang, 2010); the mediating variable is the compensatory consumption motivation (labeled BC), which is measured by 4 items, such as "Buying 1 luxury good can make me feel happy psychologically" (Jin Xiaotong et al., 2017). The control variables in this paper are consumer gender (labeled XB), age (labeled NL), and years of education (labeled JY).

## 5. EMPIRICAL ANALYSIS

### 5.1 Reliability and Validity Analysis

As shown in Table 1, the Cronbach's $\alpha$ coefficients of each variable are all greater than 0.7, the KMO values are all greater than 0.8, and the p-values of the Bartlett sphericity test are all 0, indicating that the reliability and validity meet the requirements and further analysis can be carried out.

### 5.2 Correlation Analysis

As shown in Table 2, there is a significant positive correlation among upward social comparison, compensatory consumption motivation, and residents' intention to upgrade their consumption quality. At the same time, the correlation coefficients between variables are less than 0.5, indicating that there is no serious problem of multicollinearity.

### 5.3 Main Effect Test

1) Impact of upward social comparison on the intention of Chinese residents to upgrade their consumption quality. As shown in Table 3, in Model 2, the coefficient of BJ is 0.197 and the p-value is 0.003, indicating that upward social comparison can significantly promote the intention of Chinese residents to upgrade their consumption quality. Therefore, Hypothesis H1 holds.

2) Impact of upward social comparison on residents' compensatory consumption motivation. As shown in Table 4, in Model 4, the coefficient of BJ is 0.319 and the p-value is 0.002, indicating that upward social comparison can significantly promote residents' compensatory consumption motivation. Therefore, Hypothesis H2 holds.

**Table 1:** Results of Reliability and Validity Analysis

| | Cronbach's alpha coefficient | KMO value | p-value of Bartlett sphericity test |
|---|---|---|---|
| BJ | 0.892 | 0.872 | 0.000 |
| BC | 0.771 | 0.821 | 0.000 |
| YY | 0.748 | 0.807 | 0.000 |

**Table 2:** Results of Correlation Analysis

| | Beijing | Bureau of Commerce | Year-on-year |
|---|---|---|---|
| Beijing | 1 | | |
| Bureau of Commerce | 0.418*** | 1 | |
| Year-on-year | 0.369*** | 0.421*** | 1 |

Note: *, **, *** indicate that the p-value is less than 0.1, 0.05, 0.01 respectively, the same below.

**Table 3:** Results of the regression analysis on the impact of upward social comparison on the intention of Chinese residents to upgrade their consumption quality

| Model | Independent variable | Dependent variable | B | SE | P value | $R^2$ | F |
|---|---|---|---|---|---|---|---|
| M1 | XB | YY | 0.088 | 0.098 | 0.348 | 0.282 | 32.406 |
| | NL | | 0.108 | 0.071 | 0.091 | | |
| | JY | | -0.901 | 0.099 | 0.001 | | |
| M2 | XB | YY | 0.079 | 0.099 | 0.398 | 0.321 | 29.007 |
| | NL | | 0.131 | 0.072 | 0.061 | | |
| | JY | | -0.762 | 0.111 | 0.005 | | |
| | BJ | | 0.197 | 0.048 | 0.003 | | |

**Table 4:** Regression Analysis Results of the Impact of Upward Social Comparison on Residents' Compensatory Consumption Motivation

| Model | Independent variable | Dependent variable | B | SE | P value | $R^2$ | F |
|---|---|---|---|---|---|---|---|
| M3 | XB | BC | 0.222 | 0.121 | 0.061 | 0.221 | 23.203 |
| | NL | | 0.188 | 0.082 | 0.009 | | |
| | JY | | -0.758 | 0.121 | 0.002 | | |
| M4 | XB | BC | 0.198 | 0.111 | 0.071 | 0.302 | 26.592 |
| | NL | | 0.212 | 0.068 | 0.003 | | |
| | JY | | -0.537 | 0.121 | 0.005 | | |
| | BJ | | 0.319 | 0.057 | 0.002 | | |

3) The impact of residents' compensatory consumption motivation on the intention of Chinese residents to upgrade their consumption quality. As shown in Table 5, in Model 6, the coefficient of BC is 0.211 and the p-value is 0.003, indicating that residents' compensatory consumption motivation can significantly promote the intention of Chinese residents to upgrade their consumption quality, so Hypothesis H3 holds.

### 5.4 Mediating Effect Test

In this paper, by using the Bootstrap method, the number of resampling values is set to 10,000, and each variable is put into the PROCESS plug-in for mediating effect analysis. The results of the mediating effect test are shown in Table 6, and the results of the effect decomposition are shown in Table 7. As shown in Table 7, the proportion of the direct effect is 75.253%, and the proportion of the mediating effect is 24.747%. That is, the compensatory consumption motivation of residents plays a partial mediating effect in this model, so Hypothesis H4 holds.

# 6. RESULTS DISCUSSION AND MANAGEMENT SUGGESTIONS

## 6.1 Results Discussion

Upward social comparison can significantly promote residents' intention to upgrade their consumption quality. First, when residents see that people with higher social status have more wealth and a higher quality of life in upward social comparison, they may feel jealous. Jealousy can stimulate the motivation to catch up with those of higher social status, which can be expressed by purchasing more expensive or fashionable products. Second, upward social comparison sometimes also triggers anxiety and self-doubt. Residents may start to doubt their social status and achievements, which may lead them to take more proactive actions to improve their social status, including improving their quality of life. Although upward social comparison may trigger negative emotions, they can also serve as a driving force to stimulate people's willingness to increase their consumption levels. People hope to achieve a higher status in society, so they may be willing to take actions, including increasing their consumption levels, to achieve this goal. This emotional drive may, to some extent, promote consumption upgrading.

Upward social comparison can significantly promote residents' compensatory consumption motivation. First, in upward social comparison, residents may feel social status anxiety, which may prompt them to take actions to compensate for this sense of uneasiness by improving their quality of life and consumption level to make up for their lack of social status. Second, compensatory consumption can help residents find psychological balance. Social status anxiety and uneasiness may be alleviated through compensatory consumption, making residents feel more confident and balanced. Therefore, upward social comparison usually triggers compensatory consumption motivation because individuals pursue social recognition, a sense of self-worth, the satisfaction of desires, and psychological balance. This consumption motivation stimulates individuals' willingness to improve their quality of life and consumption level, helping to meet their emotional and social needs.

Residents' compensatory consumption motivation can significantly promote their intention to upgrade their consumption quality. Compensatory consumption motivation usually stems from emotional needs, such as a sense of self-worth, social recognition, and the satisfaction of desires. By upgrading consumption, residents can obtain more emotional satisfaction, feel more confident and fulfilled, thus promoting their willingness to upgrade consumption. Generally speaking, compensatory consumption motivation stems from emotional needs, social comparison, the desire for respect and social recognition. These factors stimulate residents' desire to improve their quality of life, pursue personal goals, and meet emotional needs. This motivation prompts them to be willing to upgrade consumption, purchase higher-quality products and services, and improve their living standards.

Compensatory consumption motivation plays a mediating role between upward social comparison and residents' intention to upgrade their consumption quality. First, upward social comparison usually leads to residents feeling dissatisfied because of the gap between them and those with higher social status. This dissatisfaction can trigger compensatory consumption motivation as individuals hope to make up for this dissatisfaction by improving their quality of life and consumption level. Second, compensatory consumption motivation drives residents to take actions, including improving the quality of life and consumption level, to bridge the gap with those of higher social status, which is the willingness to upgrade consumption. They hope to improve their living standards through higher-quality products and services and achieve a higher social status and sense of self-worth. Therefore, upward social comparison is the initial stage, which triggers dissatisfaction and desires. Compensatory consumption motivation, as an intermediary factor, connects the relationship between comparison and the intention to upgrade consumption quality. This mediating role indicates that residents usually meet their emotional needs, social recognition, and sense of self-worth by increasing their consumption level to cope with the pressure and dissatisfaction brought by upward social comparison. This process helps to promote consumption upgrading to achieve a higher quality of life and meet emotional needs.

## 6.2 Management Suggestions

Promote reasonable upward social comparison. First, improve social transparency and accessibility. The government can invest in enhancing the transparency and accessibility of social data, including social status, income distribution, and socioeconomic indicators. Make this information accessible to the public so that residents can more easily understand social status gaps and be encouraged to actively engage in reasonable upward social comparison. Second, strengthen education and publicity. The government can launch education and publicity campaigns to encourage people to actively participate in reasonable upward social comparison, including

explaining the positive effects of upward social comparison, such as inspiring motivation, improving quality of life, and creating competitiveness. The government can also collaborate to organize relevant activities on reasonable upward social comparison, such as exhibitions and lectures, to strengthen the public's awareness and understanding. Third, introduce income and social support policies. The government can formulate policies to support low-income and socially vulnerable groups to relieve their financial pressures and make it easier for them to actively participate in reasonable upward social comparison, including providing financial support, education, and training opportunities to increase social mobility and equal opportunities. Fourth, provide opportunities for social recognition. The government can offer various opportunities for social recognition, such as volunteer activities, social groups, and social participation projects, to encourage residents to actively integrate into society and seek social recognition, alleviating the possible negative impacts brought by upward social comparison. Fifth, social network support. The government can provide social and emotional support to residents by establishing and supporting social networks, helping residents better handle the pressures brought by upward social comparison and encouraging reasonable comparison and experience sharing.

**Table 5:** Results of the regression analysis on the impact of residents' compensatory consumption motivation on the intention of Chinese residents to upgrade the quality of consumption

| Model | Independent variable | Dependent variable | B | SE | P value | $R^2$ | F |
|---|---|---|---|---|---|---|---|
| M5 | XB | YY | 0.089 | 0.099 | 0.348 | 0.281 | 32.405 |
| | NL | | 0.121 | 0.072 | 0.092 | | |
| | JY | | -0.902 | 0.099 | 0.003 | | |
| M6 | XB | YY | 0.049 | 0.098 | 0.621 | 0.322 | 29.311 |
| | NL | | 0.082 | 0.072 | 0.248 | | |
| | JY | | -0.742 | 0.112 | 0.002 | | |
| | BC | | 0.211 | 0.048 | 0.003 | | |

**Table 6:** Results of the Mediating Effect Test

| Dependent variable | Independent variable | R | $R^2$ | F value | B | SE | P value |
|---|---|---|---|---|---|---|---|
| BC | XB NL JY BJ | 0.552 | 0.304 | 26.641** | 0.198 | 0.111 | 0.071 |
| | | | | | 0.212 | 0.068 | 0.006 |
| | | | | | 0.538 | 0.121 | 0.002 |
| | | | | | 0.331 | 0.058 | 0.006 |
| YY | XB NL JY BJ BC | 0.582 | 0.342 | 25.406** | 0.048 | 0.101 | 0.598 |
| | | | | | 0.088 | 0.071 | 0.158 |
| | | | | | 0.668 | 0.112 | 0.003 |
| | | | | | 0.147 | 0.062 | 0.009 |
| | | | | | 0.161 | 0.061 | 0.007 |

**Table 7:** Decomposition Table of Mediating Effect

| | Effect value | Standard error | Lower limit of confidence interval | Upper limit of confidence interval | Proportion |
|---|---|---|---|---|---|
| Total effect | 0.198 | 0.048 | 0.098 | 0.309 | 100% |
| Direct effect | 0.149 | 0.059 | 0.037 | 0.258 | 75.253% |
| Mediating effect | 0.049 | 0.019 | 0.009 | 0.098 | 24.747% |

Enhance compensatory consumption motivation. First, incentivize and reward consumption upgrading. The government can provide incentives and rewards to encourage residents to upgrade their consumption. This includes tax incentives, purchase allowances, and point reward programs to make consumption upgrading more appealing. Second, provide financial support. The government can formulate financial policies to support individuals in upgrading their consumption, including low-interest loans, installment payment plans, and financial consultations, thus solving the capital problem and enabling more people to upgrade their consumption. Third, provide information and education. The government can establish consumer education programs to provide residents with training and guidance on consumption upgrading. These programs can teach how to identify high-quality products, understand product labels and performance, and effectively plan and manage personal consumption. By providing consumer knowledge, the government can help residents make more informed consumption decisions and improve their consumption satisfaction. Fourth, promote innovation and competition. Innovation and competition drive higher-quality and more diverse products and services in the market. The government can promote consumption upgrading by supporting enterprise innovation and encouraging competition, which includes reducing market entry barriers, simplifying regulations, and encouraging enterprise competition, thereby improving product quality and lowering prices. Fifth, industrial policies and development. The government can promote the development of specific industries, especially those related to consumption upgrading, such as high-end manufacturing, high-tech products, creative industries, and high-end services. By encouraging the development of these industries, the

government can offer more high-quality products and services and stimulate the demand for consumption upgrading. Sixth, improve the quality of life and environment. The government can improve the quality of life and urban environment, including infrastructure construction, public service provision, and environmental protection. Providing better urban living conditions and social environment can increase the motivation for consumption upgrading because residents are more willing to invest in a better living environment. Seventh, encourage social interaction and sharing economy. The government can support social activities, social media, and sharing economy platforms to make it easier for individuals to share experiences and suggestions on consumption upgrading and stimulate the interest of others.

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