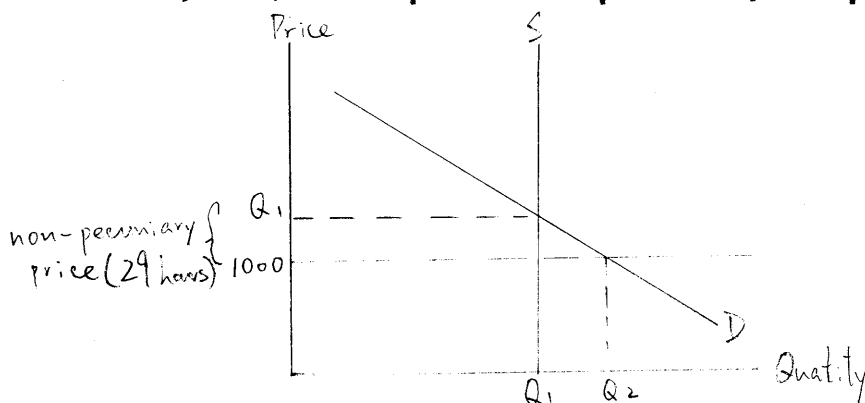


The HK Comic Festival and The HK Game Fair

The HK Comic Festival and The HK Game Fair was held from 29/7/2005 to 2/8/2005 in the Hong Kong Convention And Exhibition Centre. There were about 420 thousands people entered.

Queuing

Every year, many special products will be sold only during the period in the centre. At the first day, there were some people queued for a night in order to buy the limited numbers of gifts of comics and games. From the viewpoint of economics, it already reflects that the market was cleared not only by price competition, but also by the non-price competition. According to the news report, the person who queued in the first price came to the centre at 6:00am the day before. Assume that a gift sold at \$1000, the full price of the person is \$1000 plus 29 hours.



Economies of scales

Three years ago, the Comic Festival and the Game Fair were held separately. Why these two years, they are held together? It is because economies of scales practiced when the two functions held together. There are some similar places between comics and games, for example, some games stem from comics (e.g. Fullmetal Alchemist 鋼之鍊金術師). Oppositely, some comics stem from games (e.g. Evangelion 新世紀福音戰士). So for consumers, they are no need to pay an additional fee and time cost to enter the centre once more for the relevant products. For producers, they are no need to prepare once more for the similar function.

Besides, cosplay (角色扮演) is very popular among comic fans and game fans. In the centre, we can also see many cosplayers cosplaying. It can be an advertisement without cost. So if the two functions held separately, the number of cosplayers in the centre will be less, then this "advertisement"

will be less effective. Also, the cosplay competition is held every year. More the participants, higher the average quality of cosplayers. Therefore, both participants and the organization would like to hold the two functions together.

Hong Kong residents VS Mainland tourists

To enter the centre of the Comic Festival and the Game Fair, Hong Kong residents should first pay \$25 for entry and queue for a long time. However, Mainland tourists were free for entry and a special route is provided for them so that they were no need to queue. Is it price discrimination? The answer is sure.

The costs of serving Hong Kong residents and Mainland tourists are the same. However, the elasticities of demand of these two groups of people are different. For Mainland tourists, most of them would like to make a tour of Hong Kong. May be going to the Comic Festival and the Game Fair is one of their scheduled events, but if they have to spend time to queue and entry fee, they may choose to give up this schedule and go to other places where no need to pay entry fee and such time cost. But for Hong Kong residents, they will not think of going a tour of Hong Kong. So they may have a less time cost. Also, Hong Kong residents are no need to save money for a tour of Hong Kong. So even the entry fee was charged, Hong Kong residents will think that it is acceptable.

In conclusion, the elasticity of Mainland tourists is higher than Hong Kong residents. So Hong Kong residents would be charged a higher cost.