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How Strong Does Mirror Contribute to Our Economy?

Currently, the surge of a prestigious Canto-pop boy group, Mirror, has increased the consumption in local economy. The increasing fan bases of Mirror successfully led to a concert held in Hong Kong Coliseum. Yet, the existence of touts, with only a portion of tickets that can be purchased publicly, have caused numerous economic disputes.

According to "concert tickets" culture, only 30% tickets were allotted on online ticketing platforms, 70% tickets were allotted to sponsors or prioritised sale. Mirror has a high popularity in Hong Kong, due to the consumer's preferences, plus the perfect inelastic supply of the concert seats and no other close substitutes to choose from, the demand for tickets was exceeding the supply, thus excess demand exists. Referring to the fundamental economic theory of Law of Demand, buyers acquire lower quantity demanded at a higher price, then why organiser priced the tickets so low? Were the concert tickets consistently undervalued? Perhaps, it's a marketing approach and a kind of non-price competition to differentiate their products. For keeping the concert in the public eye, increasing the demand for the tickets, to boost the Mirror' fans to snap up the tickets...it is their strategy to promote their artists and the concert.

In economics, we also understand if the concert organiser increases the ticket value to a relatively closer level to the equilibrium price, it may avoid exploitation of demand for tickets. However, they implemented "Real-Name System" instead, which was one of the non-price competitions, similar to "first-come-first-served". The system can prevent fans from having to buy tickets from touts, but they may have to use several electric gadgets to access the website purchasing tickets or feel agonisingly to wait hours-long to purchase tickets. Which means only those real buyers who are willing

and able to pay for the market price, and spending their time cost in accessing the website could get the ticket.

Meanwhile, due to the overwhelming demand for tickets, an underground economy exists – Touts take advantage of the excess demand to earn profit by reselling the tickets with higher market value. Some reports said some touts resold the ticket for up to HK\$438,000. The resell value did not count as part of the Gross Domestic Products, as it is difficult to measure the transactions made because these are unofficial dealings, touts never report income earned, wishing to avoid sales and income taxes, and there has no production involved. Thus, the unrecorded trades in black market cause an underestimation of actual living standard. Just simply looking at Gross Domestic Products, it is not accurate to define the growth or decline of the music industry. The music industry has made great economic contributions lately.

Lastly, Hong Kong has a free economy with the lowest market intervention, in which the prices for goods and services are mainly followed by price mechanism. The buyers and sellers in an open market negotiate price without market coercions and interventions. When the economy is solely operating under the free economy that follow the rational pricing function, the wealthy would then dominate the economy by their wealth, therefore non-price competitions, which refers to firms distinguishing its product on the basis of attributes like quality and designs, is essential to ensure fairness. Hence, the existence of “Real-Name System” was established to offer each potential willing-and-able-to-pay customer an equal chance for consumption, yet, it was found that only 30% of the concert tickets could be purchased publicly. Therefore, not only price competitions should exist in the economy, but the non-price competitions also should exist to maintain social stability and sustainability.

(600 words)