

**Name: Yung Yin Chun**

**Student Number: 1999043435**

**GEOG2059 Geography of Information Technology**

**End-of-semester project report**

- 1. Write a report about the emergence of cyber-cafes in a district in Hong Kong. Plot their locations on maps of appropriate scale, undertake interviews with the management and write a report on the characteristics and future prospects for cyber-cafes in that district.**

With the rise of internet, cyber-café become more and more popular at the start of the 20th century in the more developed cities such as Vienna, Paris and Berlin, and has been successfully exported even to parts of the UK, and now especially to the USA, Canada, and Australia<sup>1</sup>. Hong Kong, being one of the top cities in the world, is in no exception. In the following report, an examination of the definition of cyber-café will be put forward. For example, what is “cyber-café”? Next we will try to examine in what form cyber-cafes exist in Hong Kong? After that we will try to explain their factor of location. Then a briefing on the spatial characteristics of the cyber-cafes in Hong Kong will be carried out. Finally we will try to foresee the future prospect of cyber-cafes in Hong Kong.

### ***What is cyber-cafe?***

So what is cyber-café? According to [www.cyberiacafe.net](http://www.cyberiacafe.net), a homepage which describes cyber-café, cyber-café is defined as “places for people to meet their friends, read the newspapers, discuss the important events of the day, and to read and answer their (“snail mail”) correspondence. Artists, intellectuals and revolutionaries such as Picasso or Sartre used to publish their manifestos from their favorite Café.” And since nowadays “millions of people communicate with their friends and workmates by means of computer, from their offices, or from the privacy of their own homes. Similarly, artists, musicians, video makers and even journalists have begun to wake up to the potential of multimedia computing, and are looking to work, collaborate and exhibit in a forum more appropriate than the traditional art gallery or theatre spaces<sup>2</sup>.” They began to share their ideas through internet.

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<sup>1</sup> Cyber Café Guide Introduction, [http://www.cyberiacafe.net/cyberia/guide/ccafe\\_in.htm](http://www.cyberiacafe.net/cyberia/guide/ccafe_in.htm)

<sup>2</sup> *Ibid.*

And since “many people have thought that it would be a good idea to combine computer connectivity with somewhere to have a decent cup of coffee (or tea!) in a public place”, it results in the boost of cyber-café, the place where share their idea through internet. In the other words, cyber-café should contain the following requirement:

- l with coffee/tea/other drinks provided;
- l with at least one computer which is connected to the internet permanently – which means the computer should be hooked to net no matter there are users or not;
- l with seats reserved to the customers who use the computer;
- l commercial in nature. Therefore drinking coffee while surfing internet at home is not regarded as “cyber-café”.

In 1994 there were only 34 cyber-cafes fell in the category list above. Now there are over 3,200 worldwide<sup>3</sup>. Homepages were also established for travelers to search over the cyber-cafes all over the world. These homepages are at least visited 100,000 times per year.

### ***A brief introduction of cyber-café in Hong Kong***

Nevertheless, the Hong Kong version’s cyber-café is slightly different from the traditional one. In Hong Kong, cyber-café can be divided into 2 main types. The first type is the traditional one. They are mainly evolved from the traditional café. This refers to some local fast food restaurants and other coffee shops that provide internet access to the customers, so that they can surf over the net while enjoy their breakfast and meal. For example, Maxims operates “Café YoYo” in Causeway Bay<sup>4</sup> to enable customers to enjoy free internet services while they are enjoying their meal or tea. Other local fast food restaurant such as Café de Corel, Fairwood also provide this kind of service for their customers<sup>5</sup>. Another cyber-café company, Pacific Coffee Company<sup>6</sup> also began their business in Hong Kong since 1992<sup>7</sup>. Yet most of the branches with internet access are restricted to

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<sup>3</sup> Internet Cyber-café Guide, <http://www.internetcafeguide.com/>

<sup>4</sup> <http://imsp007.netvigator.com/yoyo/>

<sup>5</sup> This kind of restaurant fulfills cyber-café’s definition as (1) it sells coffee; (2) computers are connected to the internet permanently; (3) commercial in nature. Nevertheless due to no inspection, most of them (most likely to be local people) use the service without buying a drink.

<sup>6</sup> The café is a cyber-café as customers have to buy a coffee before getting online. So (1) it sells coffee; (2) with computers connected to internet permanently and (3) commercial in nature.

<sup>7</sup> <http://imsp007.netvigator.com/cafe/pacific/index.html>

area where commercial building are around, such as Central, Wan Chai, Fortress Hill and Quarry Bay in Hong Kong Island.



**Fig. 1 The location of “traditional” cyber-café in Hong Kong<sup>8</sup>.**



**Fig. 2: The cyber-café in the Fairwood Restaurant - Wan Chai Branch**

Another type of cyber-café that is popular in Hong Kong is the “Taiwanese type”

<sup>8</sup> Source of location information: <http://netcafeguide.com/asiaHK.htm> & <http://www.cybercafe.com/country.asp?selectcountry=Hong%20Kong> . There are actually 2 more cyber-café located at Discovery Bay (operated by Pacific Coffee Company) and Mui Wo (by Xyberia Interactive) on Lantau Island. Indeed in this plotted location map cyber-café in the fast food restaurants such as Maxims, Fairwood etc are omitted. However, branches with internet access are mostly situated in commercial areas such as Causeway Bay, Wan Chai, Central and Tsim Sha Tsui.

cyber-café<sup>9</sup>. (In Chinese, 網咖) It has some differences from the traditional one. It offers a more diversified range of services to their customers. Besides providing internet access which traditional cyber-café does, such as you can browse any website in the computer, writing emails and using ICQ, Web Camera is also set up for video conferencing<sup>10</sup>. Drinks and snack may be offered at any time.

The Taiwanese cyber-café in Hong Kong not only provide services the traditional one does, it also offer other relevant services such as popular comic book, magazine, newspaper, CD, VCD & DVD borrowing service, live TV broadcasting soccer matches, second-hand sale, cyber-office which enable customers to laser-print and fax documents, etc. Online PC games, such as Quake, Diablo 2, Half Life, Rainbow Six etc are also available for the customers to battle through internet with other players around the world.

There are already many Taiwanese cyber-café in Hong Kong, such as Sniper ([www.sniper.com.hk](http://www.sniper.com.hk)), Cyber Sniper, I-Zone ([www.izonehk.com](http://www.izonehk.com)), KATO Cyber Station, Juo-Bear's Home ([www.juo-bear.com.hk](http://www.juo-bear.com.hk)), G-MAD, GamEmpire.Net ([www.gamempire.net](http://www.gamempire.net)), M.I.C. Zone ([www.miczone.com](http://www.miczone.com)) and Team Champion etc. Unlike to the traditional cyber-café, the Taiwanese cyber-café in Hong Kong are mainly situated in locations where people spend their leisure time, such as Wan Chai and Causeway Bay in the Hong Kong Island; Mong Kok, Tsim Sha Tsui in Kowloon. They are mostly located near to big shopping mall, computer center and along Nathan Road.

### ***Spatial Characteristics of cyber-cafe in Hong Kong***

From the above we have already plotted the location map of two type of cyber-café in Hong Kong. We can observe from the two maps that the spatial characteristics of two type of cyber-café in Hong Kong are different.

For the “traditional” cyber-café, their locations are clustered. They are mostly located in commercial area of Hong Kong such as Central (there are totally 7 branches of Pacific Coffee Company), Wan Chai and Quarry Bay. They can also be found in location where large amount of tourists is expected, such as the Peak, the Star Ferry Pier in both Central and Tsim Sha Tsui, Discovery Bay and Mui Wo

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<sup>9</sup> Taiwanese Cyber-cafe fulfills the definitions of cyber-café in term of: (1) There are computers permanently connected to the internet with seats provided; (2) They offer free drinks to customers; (3) It is commercial in nature as they charge customer money.

<sup>10</sup> <http://www.izonehk.com/>



**Fig. 3 The location of Taiwanese cyber-café in Hong Kong**

etc. They also trend to cluster in big shopping mall such as Festival Walk in Kowloon Tong, Cityplaza in Taikoo Shing, Time Square in Causeway Bay, and Whampoo in Hung Hom.

For the “Taiwanese” cyber-café in Hong Kong, they are also clustered. They are mostly situated in areas people usually go to spare their time. They can usually be found in Mong Kok, Tsim Sha Tsui and Wan Chai. Both type of cyber-café show spatial clustering in their location. Indeed the reasons for their situation are highly related to their factor of location. In this report I have interviewed the shopkeeper of Pacific Coffee Company in Hong Kong Island Star Ferry as well as the manager of I-Zone, Joe, to explain about the location characteristics of the cyber-café in Hong Kong. The Central-Wan Chai district will be adopted in the explanation. I have asked them the following question in order to attempt to understand their location:

- l Why locate a cyber-café in their district?
- l Who is usually the customer? What kind of people are they?
- l What is the utilization rate of the computer?
- l Does the introduction of internet access promote business?
- l What future will cyber-café face in their district?

The shopkeeper of the Pacific Coffee Company explained that their coffee shops

are mainly to serve businessperson who want to have a check of their email or to search some information when they walk-by. That is the reason why most of the branches are situated in the commercial area. And since the coffee café is located inside the ferry pier, most of the customers in the café are mostly foreign businesspersons who are waiting for the ferry, or overseas tourists who have some spare time so they surf over the internet. Rare of them are local people. The shopkeeper claims that as the charge of the cyber-café is relatively expensive, no local people but overseas customers in need of internet access will bother to use the service. So there is no wonder that in Fig. 1 that I have plotted that cyber-cafes are mainly located in commercial area such as Central and Wan Chai, and places where tourists are likely to be found such as Kowloon Tong, Taikoo Shing and Mui Wo etc. That is why Bob Brennan once commented “a Cyber Cafe in an area where tourists are likely to visit was probably a sound idea<sup>11</sup>.” It provides good checkpoints for them to gain information from internet.

Nevertheless though the cyber-café in the Star Ferry Pier is mainly targeted for the people from overseas, very few of them actually use the service. Most of them actually stay for about 10-15 minutes when the ferry arrives. However the computer is not always occupied (There is only 1 computer provided). The shopkeeper claimed that it is because no one is stupid enough to pay the ferry fee to come in and pay the coffee to check email here. Pacific Coffee Company actually established other branches in the location near to Star Ferry in Central. As the result, the utilization rate of the computer there is very low. It actually does not face competition with other cyber-café in the same district. Actually, since Pacific Coffee Company, and the cyber-café in the fast food restaurant targeted in different customers, competition is not very keen.

I-Zone is a Taiwanese cyber-café situated in Wan Chai near 298 Computer Zone. It was established in 1999 with 50 computers providing internet surfing, online multiplayer PC game, email checking and netmeeting service. Besides this, there are also few comics, magazine and newspaper provided for the members. Coffee and other drinks can also be provided freely to the customer as they are using the service. Delivery service will also be available if customers offer drinks and snacks outside the cyber-café.

The reason for the manager to locate his cyber-café in Wan Chai is mainly due to the availability of two types of customers. He found that by setting up a

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<sup>11</sup> How Do I Start A Cybercafe... <http://cybercaptive.com/bp.shtml>

cyber-café near to 298 Computer Zone it could attract some PC lovers for some drinks and snacks after shopping in the computer center. And since Wan Chai is area with some commercial building and next to international convention centre, it may also attract businessperson who in need of internet access. Therefore in 1999, the manager opened the I-Zone next to 298 Computer Zone. Nevertheless the business was not as satisfactory as expected. Later, when the trend of Taiwanese cyber-cafes hit Hong Kong, Joe decided to reform his business to provide wider range of service, such as online multiplayer PC game to attract youngsters. Joe found it very helpful in broadening his business. It guarantees a fixed source of customers and enhanced attractiveness. Indeed currently in I-Zone, most of them members are PC game lovers aged 15-35. Most of them come here for playing PC games during lunchtime and weekends to have a rest. The computers are now usually occupied during the rush hours. The utilization rate of the computers, compared with the cyber-café mentioned before, is much more higher.

Therefore the spatial distribution of Taiwanese cyber-café is different from the traditional one. It is mainly clustered in Mong Kok, Wan Chai, Causeway Bay and Tsim Sha Tsui where young people spend their leisure time. Unlike the traditional cyber-café which targeted in overseas customers, they are clustered near to commercial area and tourist points such as Central, Wan Chai, Quarry Bay, Tsim Sha Tsui, Kowloon Tong and Mui Wo in Fig. 1, for example.

### ***Future Prospects***

When asking the shopkeeper of Pacific Coffee Company about the future prospects of cyber-café, she believed that it is very hard to ask local people to buy a cup of coffee and then use the computer in cyber-café. Many families in Hong Kong actually own computer. They can simply get online at home. It is impossible for them to gather at cyber-café, spending money to buy a cup of expensive coffee to get access to internet. It is unlikely in Hong Kong to promote cyber-café. Indeed there is a quotation from the web that “Cyber-cafes aren't popping up in every city between Sweden and Hong Kong because customers are demanding the right to check their e-mail before they buy a mocha java<sup>12</sup>.” Hong Kong people simply feel unreasonable to pay.

Yet for those “cyber-cafes” which converted from fast food restaurants may be a different story. We always found restaurants such as Fairwood, Maxims etc,

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<sup>12</sup> CyberCafes Mean Business, <http://www.cybertoday.com/v1n3/CyberCafes.html>

computers are always occupied all the time. It is mainly due to the food and drinks are relatively cheaper than the cyber-café which converted from traditional café. So after enjoying their meal people simply feel it is their right to use the internet service. Indeed, due to loose supervision, most of them people simply sit down and browse the homepage without paying money. Yet this kind of cyber-café is unlikely to be a challenge to the Pacific Coffee Company. It is because they are serving different customers. Most of the customers in Pacific Coffee Company are overseas travelers while Maxims and other Taiwanese cyber-café are local people. As the market is different it is unlikely to be a competition. Overseas travelers mostly prefer the classic and quiet atmosphere of their café. Most importantly, there are no Maxims or Fairwood Cyber-café that are being registered in the overseas cyber-café search engine. So when overseas travelers go to Hong Kong simply they will recognize the Pacific Coffee Company, but not Maxims or Fairwood Restaurant.

Another problem of the future of traditional cyber-café in Hong Kong is that the facilities are insufficiently provided to overseas customers. Besides there are inadequate number of computers, the computers can only be used to browse homepage, check email, ICQ etc, at most. Few of them provide other facilities such as printing, scanning and faxing of documents. Rarely cyber-café in Hong Kong set up webcam to enable customers for video-conferencing. The functions that computers in cyber-cafes provided are very limited. The shopkeeper of the Pacific Coffee Company always faced with this kind of complaints from the overseas customers. Most of them probably carry their portable computers with them and they simply need to a telephone line or ethernet port to connect their computer to the internet. Yet cyber-café in Hong Kong failed to fulfill their request.

Moreover, most of the hotels in Hong Kong already provide internet access to their customers. And since Hong Kong is a small place with well-connected transportation, there are no points for the overseas tourists to go into cyber-café to buy a drink to check their email. Instead, they can easily go back to the hotel to get online freely if it is not urgent. The computers in the café do not necessarily attract overseas travelers.

So in conclusion, the shopkeeper is not optimistic for the future of “traditional” cyber-café in Hong Kong. Local people do not welcome it and there is little space for expanding besides opening new branches in other location. “Coffee” business



still remains important for cyber-café in Hong Kong. The internet access in cyber-café may not necessarily attract customers – either local and overseas. And more facilities should be provided to overseas customers.

On the other hand, the Taiwanese cyber-café in Hong Kong seems to have brighter future than the “traditional” cyber-café does. It has great expansion potential. It has large number of potential customers. The services provided are very diversified. Besides internet access there are also comic books, online multiplayer PC game etc. Therefore it does not only tailor for overseas travelers. It attracts boarder range of people in the society and nearly all walks of live in the society are potential to go to Taiwanese cyber-café in Hong Kong<sup>13</sup>.

Yet the Taiwanese cyber-café in Hong Kong is facing great competition within the same district. For example, from Fig. 3, we observe that Taiwanese cyber-café in Hong Kong are clustered in certain location only. For example, in Wan Chai and Causeway Bay there are four Taiwanese cyber-cafés. They are operated by different company targeting same population. Therefore competition exists among them.

Therefore each cyber-café has to develop its individual characteristics in order to preserve the customers. For example, I-Zone has diversified its range of service, not only limited to internet access and PC games. For example, in order to attract businessperson, Joe plans to develop the cyber-office so that businessperson can print, scan and fax their documents. So that when Taiwanese cyber-café is no longer popular in Hong Kong, it can still able to survive. More publicity, facility updates are also essential for the success of Taiwanese cyber-café in Hong Kong.

However, since Taiwanese cyber-café also provides online multiplayer PC game, some legal problems may be involved. For example, the copyright problem. Even the café is not using pirated games and software in their computer, according to the copyright law, it is illegal for the original software to be used in commercial purpose. (even one original CD for one PC) The original PC games in Hong Kong are only designed for domestic use only. There is no “wholesale” version which is designed for Taiwanese cyber-café. Though the café may argue that charges are only for drinks and snacks, and games are offered “freely”, as the problem is

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<sup>13</sup> Indeed, it is pointed out from the Sing Tao PC Market Volume 394 that Taiwanese Cyber-café will have great commercial opportunities because (1) Good atmosphere, no smoking, no foul language; (2) Great fun when play collectively in cyber-café; (3) cheap as only cost \$60-100 if you want to stay for a day.

unresolved, the future of Taiwanese cyber-café is unclear.

### **Conclusion**

In Hong Kong, cyber-café can be divided into 2 main types – traditional cyber-café and Taiwanese cyber-café. And due to their difference in nature, both have different factors of location and future prospects. The former trends to concentrate in commercial areas as well as tourist points and the latter are most likely to be found in area where people go in their leisure time. And due to the Hong Kong situation, they results in different prospects. They are different form of cyber-café and their differences can be summarized in the following table:

	“Traditional” Cyber-café	“Taiwanese” Cyber-café
Imported from	United States, Europe and other developed countries	Taiwan
History in Hong Kong	Relatively longer; most of them evolved from traditional café.	Relatively shorter; began to emerge in 1999.
Location	Clustered; in commercial areas, tourist points and in big shopping mall	Clustered; next to places where people spend their leisure time
Targeted customers (reason for location)	Mainly tourists, businessperson, coffee-lovers and shoppers; local people in restaurant cyber-cafes	All walks of life; mostly youngsters, PC game players and computer lovers.
Number of computers	Relatively fewer; Probably less than 5 <sup>14</sup>	Much more; most of them at least 10. For those large-scale cyber-café around 70.
Utilization rate of computers	Those converted from traditional café is relatively low. Those in fast food restaurants are very high.	Usually occupied by users during rush hours.
Facilities provided	Computers with internet access only	Besides internet access, there are also comic book borrowing, online multiplayer PC games, video conferencing and netmeeting etc.
Charges	Relatively expensive; for those converted from fast food restaurants probably cheaper	Relatively cheaper; mostly cost \$18-25 for the first hour and then ~\$5 per 15 minutes. Drinks and snacks may be free
Competition	Not very keen from other cyber-café as they are serving different customers.	Quite keen as many cyber-café in same district serving same targeted customers
Future Prospect	“Coffee” still more important	Good future opportunities for

<sup>14</sup> <http://netcafeguide.com/asiaHK.htm>

	than “cyber”. Need to provide more facilities for overseas tourist and businessperson	expansion; need to develop particular characteristics to attract customers; may have copyright problem
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**Table 1: A comparison of the traditional and Taiwanese Cyber-café in Hong Kong**

And I have interviewed the shopkeeper of the Pacific Coffee Company and the manager of I-Zone to talk about the spatial characteristic and the future prospect of their cyber-café. And the following is the summary:

	Pacific Coffee Company	I-Zone
When started?	Since 1992.	Since 1999 <sup>15</sup> .
Location	Central Star Ferry Pier	1/F, 290-296 Hennessy Road, Wan Chai
Targeted customers (reason for location?)	Mainly overseas tourists, businessperson awaiting ferry.	PC lovers after shopping in 298; businessperson in Wan Chai to have rest after lunch.
Number of computers	Only 1	50
Utilization rate of computers	Quite low	Usually occupied
Facilities provided	Browse homepage, check email etc only	Besides internet access, there are online multiplayer PC game with few magazine and newspaper provided.
Increase in attractiveness?	Not likely as (1) no local people will come deliberately; (2) Overseas travelers can get online freely in other places; (3) limited facilities provided.	After diversifying the service it helps to guarantee fixed source of customers.
Charges		HK\$18/hour
Competition (Future in that district)	Not keen because (1) most of the cyber-café in Central are from the same company; (2) No one will come deliberately; (3) Cyber-café in Maxims serves different customers.	Keen as there are other cyber-café of same kind in Wan Chai serving same type of customers.

**Table 2: A comparison of Pacific Coffee Company in Star Ferry Central and I-Zone in Wan Chai**

<sup>15</sup> SingTao PC Market Volume 394, p. 12