

## **1. Background of Cafe de Coral**

The Cafe de Coral Group is one of the biggest listed catering companies in Asia, with more than 450 locations in Hong Kong and the Chinese mainland. Its business includes fast food, casual dining, and institutional meals. In addition to its catering operation, the Group operates four ISO-certified factories in Hong Kong and the Mainland as a provider of manufactured and processed food goods. Cafe de Coral fast food chain invented the idea of Hong Kong-style fast food by fusing the distinctive cuisines of Chinese and Western cultures to create cutting-edge eating habits for Hong Kong's active population. For Hong Kong residents, it is now a large canteen, a top dining option, and an essential component of daily life. In this report, we'll cast the light on six main components of Cafe de Coral business model, and draw a conclusion at last.

## **2. The SWOT analysis of Café de Coral under current Hong Kong business**

	<p><b>Advantage</b></p> <p>S1: Investment in advertising.</p> <p>S2: Market analysis resilience.</p> <p>S3: Brand influence.</p> <p>S4: Technology research and development.</p> <p>S5: Human Resource Management (incentive system, internal coordination, personnel training).</p> <p>S6: Distribution system.</p> <p>S7: The unique logistics distribution management system improves the production capacity.</p>	<p><b>Weakness</b></p> <p>W1: The concept of healthy eating.</p>
<p><b>Opportunity</b></p> <p>O1: Open social environment.</p> <p>O2: The quickening pace of life.</p> <p>O3: Diversified consumer groups, expanding market capacity and rapid development.</p> <p>M1; People's consumption level and level of consumption have increased year by year.</p> <p>O5: Product differentiation.</p>	<p>O1, O6-S1, S3: In the open social environment and the acceleration of the pace of life, increasing the advertising investment can make Café de Coral more popular and pave the way for the entry of new products. At the same time to expand the brand influence.</p> <p>O4-S3: The improvement of consumption level will promote the improvement of brand image.</p>	<p>O2-W1: The competition in the fast food industry is fierce. Although the pace of life is speeding up, people's concept of healthy diet is strengthening. In order to survive and develop, the company needs to make greater efforts to produce fast food that meets the needs of consumers.</p>

<p>O6: The influx of advertisers, scientific marketing.</p> <p>O7: Continuous improvement of production technology</p>	<p>O3-S2: Diversified consumer groups, expanded market capacity and fast development speed can provide a good platform for the company's market analysis and strain capacity and enable it to have good communication with the market to improve the company.</p> <p>O7-S7: The continuous improvement of production technology has an immeasurable effect on the improvement of production capacity.</p>	
<p><b>Threat</b></p> <p>T1: Rising human resource costs.</p> <p>T2: Rising raw material prices.</p> <p>T3: Higher oil prices and higher transportation costs.</p>	<p>T2-S6: The introduction of commercial franchise method makes Café de Coral more cautious in the choice of distribution agencies.</p> <p>T4-S5: The rising cost of human resources makes enterprises need to strengthen their human resources management to maximize the per capita utility.</p> <p>T5, T6-S7: Rising prices of raw materials and transportation costs have forced Café de Coral to improve its unique</p>	<p>T1-W1: The introduction of the Food law and the continuous improvement of people's concept of healthy diet have forced Dakar Lok to pay more attention to safety and health in the development of new products.</p>

	logistics distribution system earlier.	
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## 5. The social and ethical issue of Café de Coral

### 5.1 The balance between work and life

The Company's human resources function is designed to maintain high ethical standards, professionalism and industry best people management practices. According to the annual report of the company, it performs recruitment and stuffing functions in accordance with the annual manpower plan to ensure that employees and talent are identified from internal and external sources to provide appropriate career paths and opportunities within the company. Transparent human resources policies have been developed and regularly reviewed to balance human relations in the areas of employment, appeals, discipline and ethics (CAFÉ DE CORAL, 2018), meaning that there are a set of strict regulations in place to help to maintain the basic employees' rights, however, to reach reinforced the cohesion inside the company, further attempt has to be done.

As a communication channel within the group, regular meetings and briefings are held to exchange management views and get feedback from employees. Compensation and benefit policies are reviewed annually to meet mutual needs and the implementation of a sense of belonging, as reported by Café de Coral, 2020. It launched a series of benefit schemes in January 2008 to continuously improve the working conditions of our staff, including the implementation of a Saturday off work week for headquarters employees, an increase in premium subsidies for the group hospitalization insurance scheme and the introduction of the newly designed Quality Work Life Incentive Scheme.

As highlighted by Café de Coral, 2020, Compassionate Leave, Paternity Leave, and the establishment of a staff wellness club, which plans health trainings and recreational activities open to all employees, are just a few of the company's policies that aim to balance the demands of employee work and family life. Employee assistance programs including stress management training and mental health seminars are planned to be offered, and the front-line staff will start receiving them in the upcoming quarter. In this section, we have discussed various interior management caring issue ranging from basic employees rights, balancing between work and life of employees, to offering skill training for employees' skill enhancement.

### 5.2 Social responsibility issue of Café de Coral

The company is aware of its role as a responsible business entity and ensures that it makes a positive contribution to the communities in which it operates. During the

year, the company held a number of social activities, which were recognized by the community.

#### **5.2.1 Health & Safety**

The business is committed to the health and safety of its customers, staff, and community members. To achieve continuous improvement, the Company's health and safety policy has been routinely reviewed and improved. Employees who are working in various environments have received regular and operational safety training. The company has also created an ongoing annual plan to address potential influenza outbreaks since 2004.

#### **5.2.2 General health and safety**

The Company has a Health and Safety Committee in place, and the related policy has been in place since the 1990s to monitor all operational departments and shops in accordance with the Factories and Industrial Undertakings Ordinance and Occupational Health and Safety Ordinance. This is done in order to fully take into account the health and safety obligations the Company has to stakeholders. Each department and shop had regular meetings, enforced checking processes, conducted meeting evaluations, and inspected all safety and health precautions.

#### **5.2.3 Cafe De Coral Center**

In accordance with the Factories and Industrial Undertakings (Safety Management) Regulation, the Company has implemented a comprehensive safety management system for its central food manufacturing plant and headquarters since 2002, audited by external safety auditors, to continuously assess, evaluate and improve workplace health and safety. The company has also implemented workstation ergonomics assessments to assess diseases that may be associated with office work.

#### **5.2.4 Branches**

An extensive health and safety awareness program has been implemented in all branches. For example, a regularly reviewed employee health and safety manual will be distributed to all new employees. Health and safety posters and labels warning of different types of dangers have been put up in branch kitchens and staff lounges.

### **6. recommendations**

As can be seen from the SWOT analysis model, the author believes that Cafe de Coral products such as "Yigo Baked pork grilled Rice", "Yigo hot pot", "Yigo glutinous rice Chicken" and "milk tea" have a large number of competitive opportunities due to their key advantages. They belong to a positive development strategy and their position in the Chinese market is unshakable. Cafe de Coral must constantly actively develop new products to meet the needs of consumers, and gradually consolidate the original market on the basis of bringing novelty to customers, which is the current task and strategy.

Cafe de Coral products such as "one person one cup of wax gourd", "stuffed duck dinner", "East Star spot hot pot", "original giant belt", "original cup old fire soup", although there are a lot of opportunities, but at the same time the development prospects are slim, belong to the strategy to overcome the threat. These products take advantage of the good reputation of Cafe de Coral, which has won everyone's attention as soon as it comes out, and they are timely advertised on the screen, using the cheerful background music to convey the information of a cup of happy dining to people. Therefore, it mainly adopts vertical integration, taking advantage of its basic advantages, that is, its status as the leader of Hong Kong fast food, and the close synergistic effect between products, to penetrate the market and consumers.

Cafe de Coral can be said to be a very mature and substantial fast food enterprise at present. In addition to maintaining the level of royal brand fast food, it is also trying different product development to meet the needs of more consumers. The products in the current market continue to adopt the market penetration strategy. The new products in the current market are still in the product development strategy stage and the current products also actively adopt the development strategy for the future new market.

Profitability is the ability of an enterprise to obtain profits. It is the most important index that comprehensively reflects the operation ability, management ability, competitive strength and labor productivity of an enterprise. The level of profitability is related to the strength of an enterprise's competitiveness. Stable and lasting profits can promote the expansion of scale and the improvement of market share, and the competitiveness will also be enhanced, and vice versa. Profitability is mainly reflected in the cost control ability, asset operation ability and enterprise profitability. The stronger the ability to control the cost, the lower the operating cost and the higher the profit of the enterprise. Therefore, the limited ability of the enterprise to pursue profit is reflected in the control of the cost. In terms of cost and differentiation, the

competitive advantages of Cafe de Coral are more reflected in differentiation. Although in the Hong Kong fast food industry, the differentiation of similar products is not very significant, but as Cafe de Coral, the unique taste and service of its products are obvious differentiation, and it is also clearly aware of its own differentiation advantage, and fully apply it to expand its influence. There is basically no cost leadership in the fast-food industry, and more cost centralization strategies are adopted. It is suggested that Cafe de Coral continue to follow the strategy of chain franchise and unified procurement in terms of cost control.

## 7. Summary

Cafe de Coral has made a detailed study of market positioning, pricing and market environment, trained a large number of talents, formulated an overall development plan and other measures, supplemented by customer orientation, the spirit of excellence, accuracy of site selection, standardization of service, localization strategy and fast product update. With the continuous improvement of the environment and service quality, the promotion of marketing concepts and other competitive advantages, it will continue to accumulate strength and persevere.

## References

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