

## **Adapting to Changing Tastes: A Case of Tsui Wah Restaurant**



Source: Unsplash (2018)

### **Background**

With 57 years of history, Tsui Wah (翠華) is one of Hong Kong's most iconic Cha Chann Teng (traditional tea restaurant) chains. Along with Hong Kong's rapid pace of economic transition, the group bear witness to the ever-changing needs and tastes of customers (Tsui Wah Group, 2019). Currently the group operates 8 outlets across Hong Kong, continuing to deliver on its promise of "Fast, Exquisite, Desirable" food service to the neighbourhood (Tsui Wah Group, 2019).

In response to the challenges brought by the COVID-19 pandemic, especially the financial downturn and rising demand for takeaway, Tsui Wah undertook a bold move by launching its very own delivery platform "Tsui Wah Delivery" (Moomoo, 2022). Through this platform, customers can enjoy free delivery if their order total exceeds HKD400 or 50% off if they spend more than HKD200 on the order (hk01, 2022). The platform also offers a pre-order and pick-up service with no extra charge, giving customers greater flexibility and a contactless, time-saving experience. These innovations aimed to help Tsui Wah stand out from other Cha Chann Teng chains.

Since the reopening of borders in February 2023, Hong Kong has seen a surge in Mainland Chinese visitors (TimeOut, 2024). In view of the change in demographic makeup of their clientele, Tsui Wah has expanded their promotion across social media platforms that are more popular among mainlanders, such as Douyin (抖音), Dazhongdianping (大眾點評), and Xiaohongshu (小紅書) (Tsui Wah Group, 2023). Furthermore, to attract younger, health-conscious consumers, the group launched Tsui Wah Express, a new brand offering light takeaway meal boxes, catering to busy and health-conscious young consumers seeking convenient and low-calorie meal choices (Tsui Wah Group, 2023).

### **Challenges**

Despite these diversification efforts, Tsui Wah has struggled to regain a significant market share. Hong Kong's food delivery market is already dominated by major players such as Uber

Eats, Foodpanda, and Deliveroo, making it difficult for an in-house platform like Tsui Wah Delivery to compete effectively. Moreover, Tsui Wah faces strong competition from the Tai Hing Restaurant Group. Tai Hing's mobile app not only mirrors the features of Tsui Wah's platform, but also includes additional incentives such as e-gift vouchers to encourage direct ordering via the app (am730, 2023). These competitive advantages raise questions about whether Tsui Wah's strategies are sufficient itself in a saturated market.

### **Discussion Questions**

1. What additional features or services could Tsui Wah introduce in its delivery platform to enhance customer experience and increase competitiveness?
2. To what extent are Tsui Wah's current promotions on Douyin, Dazhongdianping, and Xiaohongshu effective in attracting Mainland Chinese customers? How might they improve their strategy?
3. What types of partnerships or collaborations could Tsui Wah pursue to better appeal to the health-conscious and younger demographic?

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### **Keywords**

- Food and Beverage
- Food delivery platform
- Online app
- Young generation
- Health-conscious consumers
- Competitive advantage

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