Detailed Study of Mumbai's Cloud Kitchens

Zuber Ismail Reshamwala

HAFT, Sophia polytechnic, Mumbai

Email: zubermohammah680@gmail.com

Abstract:

The pandemic affected the hotel industry the most and all of it affected the revenues of the hotels and many employees were laid off due to the fact that the hotels couldn't retain them due to the pandemic.Since the COVID-19 pandemic hotel industry faced one of its biggest shutdowns. During those onerous times a new concept started to rise up which were **cloud kitchens** also referred as **dark kitchens.** The generation Z which requires everything easiest and quickest manner also with a click of a button was ideal which were cloud kitchens. The cloud kitchens used to deliver restaurant standard foods at the doorstep to their respective customers without them leaving the house which was an enormous issue during the pandemic times. While the hotels and restaurants were struggling the cloud kitchens flourished tremendously.

Key words: cloud kitchen, food delivery aggregators, model, market, generation Z.

a) INTRODUCTION:

A cloud kitchen can be defined as a place where the food is prepared only for the purpose of delivery. There are no dine-in or sitting arrangements for people to consume their food. A cloud kitchen only has a kitchen or a food preparation area where food is prepared only for the purpose of delivery.

Few other names for clouds kitchens are:dark kitchen, shared kitchen, virtual kitchen, ghost kitchen, etc.

BUSINESS MODEL OF A CLOUD KITCHEN:

There are few cloud kitchen models that function and operate which are:

b) Independent kitchen models: they work on the simple cloud kitchen model in which there is one brand and one kitchen which operate independently and they use food delivery apps to do the delivery.

c) Rebel foods model: in this models there are multiple brands which functions under one roof and one kitchen there are multiple cuisines and different brands which specialises in that cuisine. The biggest advantage in this is that it cuts cost and secondly the areas where there are less restaurants which serve that cuisine makes it easier and the customer gets the food and this help the cloud kitchen to increase the business in those areas.

d) The fresh menu model: this model has both a cloud kitchen and a delver outlet which means it has a widow where the customers can come and see the food being prepared if they want to but it functions on the cloud kitchen model.

e) Food delivery access model: this model works on the basis of which the restaurant gets an empty space and sets ups a kitchen and with the help of food delivery apps sets up theirs restaurants the food making process is

done by the restaurants and everything else is managed by the apps.

POPULARITY:

The biggest advantage to the cloud kitchens was the pandemic. Due to the pandemic all the restaurants were shut down, and there was a struggle for restaurants to function and restaurants were functioning on the basis of dines in which during pandemic was not allowed by the government. This gave the rise to cloud kitchens in Indian and Mumbai they started gaining popularity. The people still wanted food on restaurants standards at their door step and these demands were getting full filled by cloud kitchens with the help of online food delivery aggregators.

With restaurant footfall at an all-time low and sales down as much as 90%, according to CRISIL Research, takeaway has become a vital source of revenue for many restaurants. CRISIL estimates that the recovery of the 1.5 trillion rupee ($20 billion) sector will take at least a year after lockdown is lifted. (thehindu.com)

The restaurants also had to do something to increase their business and to retain their employees so they also started to do delivery with the help of food delivery apps to star the functioning of the restaurants again.

Due to the lockdown many new brands and restaurants started their cloud kitchens and even home cooks started their business and started earning because of the pandemic it was hard for people to earn money so this was a huge help in the period of pandemic.

ADVANTAGES:

1) Low operations cost: this is one of the biggest advantages of having a cloud kitchen.
   There are many cost factors that are cut off in cloud kitchens such as a real estate property or rent, dining area, parking spot, f&b staff, etc. all that is required is a kitchen and a smart phone. The labour force is also minimum.

2) Flexible menu options: in cloud kitchen as compared to restaurants menu can easily be changed and altered accordingly whereas changing the menu in a restaurant is comparatively a difficult and tedious job. The cloud kitchens menu can be changed as per demand without a lot of work because of its size and operations the kitchens can easily managed to do that.

3) Lower selling price: the food cost and selling price both are lesser in a cloud kitchen due to the fact that there are no overheads cost involved compared to restaurants. So the kitchens can keep a lower selling price as compared to restaurants which attracts more customers.

4) Expansion: expanding a cloud kitchen is much easier due to the fact that all it needs is space big enough to operate a kitchen and not lot of factors need to be considered in it as compared to a restaurant. And the set up cost is also very less.

5) Customer demands: due to the increasing and ever changing customer demands the cloud kitchens can take these demands into consideration and change according so that they can easily meet these demands and the increase in food delivery apps made it easier for cloud

kitchens to deliver restaurant standards food quickly and in a cheaper price.

6) Hygiene: specially during the pandemic hygiene was one of the most important factors, this was taken care by cloud kitchens and the food which was delivered and was sage with containers and seals which gave a relief to the customers specially in those times and this was a big advantages of cloud kitchens.

DISADVANTAGES:

1) Customer interaction: one of the biggest disadvantages of having a cloud kitchen is not being able to interact with people face to face. Restaurants are driven by customer experience and their critics the restaurant can change according to them which is lacking in a cloud kitchen business, the only way to communicate is through phone or email.

2) Food delivery: the cloud kitchens depend a lot on these delivery apps which makes it harder for the cloud kitchen to earn good profit due to the fact that a part of the profit is taken by these delivery apps for their commission and having an own delivery team would be more costlier so the cloud kitchens opt for this method.

3) High competition: since the lock down there were few cloud kitchens but since then they're increasing more and more and today there are so many cloud kitchens which provide food at a cheaper it becomes hard to compete with them and makes it challenging for new businesses to enter the market.

FUTURE OF CLOUD KITCHEN:

In India especially the pandemic was a tough time for people to earn money and many were laid off from their jobs specially chefs because the hotel industry was completely shut down and this led to many of them opening their own cloud kitchens which was very helpful to earn money. And the food delivery apps made easier for them because the food was delivered with ease and they had a platform to advertise the cloud kitchens.

When most of the returns were closed these cloud kitchens were the only way to have food at door step easily and with conveniences so these cloud kitchens captured their place's in the market and is now well known some of famous cloud kitchens in Mumbai are:

• Zesty kitchen
• Pie&co.
• Burgundy box
• Soba Asian kitchen
• Sumac
• Moza
These brands are well established now and soon a good percentage of the market will be ruled by cloud kitchens.

Conclusion:

Due to the ever increasing demand of the people restaurants as well as cloud kitchens will flourish more in the Indian market and could be dominating factors. Many restaurants have adopted this method to expand their business and have more cloud kitchens to deliver food easily. Also he well established and famous cloud kitchens are turning them into restaurants and making seating arrangement due to the fact that they are famous and well known now and a huge amount of thanks in that factor goes to social media with the generation Z they got the recognition in the market.

Reference:

Choudhary, N. (2019). Strategic analysis of cloud kitchen–a case study. *Management Today.*

https://www.goteso.com/blog/cloud-kitchens/

https://www.kitchenscentre.com/10-reasons-why-cloud-kitchen-business-is-better-than-restaurants/

https://limetray.com/blog/cloud-kitchen-business-model/

https://www.thehindu.com/news/national/rise-of-cloud-kitchen-concept-in-india/article34787157.ece

https://www.linkedin.com/pulse/pros-cons-running-cloud-kitchen-business-surjodeep-bose

https://ieeexplore.ieee.org/abstract/document/9357768