

ISSN 2278-8158  
AN INTERNATIONAL MULTIDISCIPLINARY  
HALF YEARLY RESEARCH JOURNAL

**ROYAL**

Volume - XIII

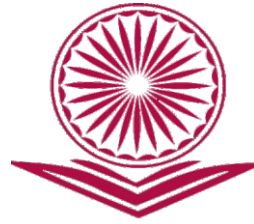
Issue - I

June - November - 2024

ENGLISH PART - I

Peer Reviewed Refereed and  
UGC Listed Journal No. 47037

Single Blind Review / Double Blind Review



ज्ञान-विज्ञान विमुक्तये

IMPACT FACTOR / INDEXING  
2023 - 6.701  
[www.sjifactor.com](http://www.sjifactor.com)

❖ EDITOR ❖

**Assit. Prof. Vinay Shankarrao Hatole**

M.Sc (Math's), M.B.A. (Mkt), M.B.A (H.R),  
M.Drama (Acting), M.Drama (Prod & Dir), M.Ed.

❖ PUBLISHED BY ❖



**Ajanta Prakashan**

Aurangabad. (M.S.)

The information and views expressed and the research content published in this journal, the sole responsibility lies entirely with the author(s) and does not reflect the official opinion of the Editorial Board, Advisory Committee and the Editor in Chief of the Journal “**ROYAL**”. Owner, printer & publisher Vinay S. Hatole has printed this journal at Ajanta Computer and Printers, Jaisingpura, University Gate, Aurangabad, also Published the same at Aurangabad.

**Printed by**

Ajanta Computer, Near University Gate, Jaisingpura, Aurangabad. (M.S.)

**Published by**

Ajanta Prakashan, Near University Gate, Jaisingpura, Aurangabad. (M.S.)

Cell No. : 9579260877, 9822620877

E-mail : [ajanta2023@gmail.com](mailto:ajanta2023@gmail.com), [www.ajantaprakashan.in](http://www.ajantaprakashan.in)

**ROYAL - ISSN 2278 - 8158 - Impact Factor - 6.701 ([www.sjifactor.com](http://www.sjifactor.com))**

❧ **CONTENTS OF ENGLISH PART - I** ❧

S. No.	Title & Author	Page No.
9	A Quasi-Experimental Study to Assess the Effectiveness of an Information Booklet on Knowledge and Attitude Regarding Hygiene and Diet among Teenage Girls in Selected Areas of Metropolitan City <b>Ms. Prachi Chandrakant Vavhal</b> <b>Ms. Sukanya Jangade</b> <b>Ms. Pallavi Jadhav</b> <b>Ms. Gauri Logade</b>	54-60
10	A Study to Assess the Effectiveness of Planned Teaching Programme Regarding Knowledge of Glasgow Coma Scale among Staff Nurses Working in Intensive Care Units and Emergency Departments in Selected Hospitals in Mumbai City <b>Mr. Prashant Tambe</b> <b>Ms. Namrata Subhash Chopdekar</b> <b>Ms. Diana Fernandes</b>	61-66
11	<b>Cloud Kitchen Business Model - Case Study</b> <b>Dr. P. Pon Meenakshi</b> <b>Dr. K. Gunasundari</b>	<b>67-71</b>
12	A Study to Assess the Common Allergies, Practices and Attitude to Cope up with Sufferings from Allergies among the Adult People of Metropolitan City <b>Mrs. Shilpa Shettigar</b> <b>Mrs. Swati J. Patil</b> <b>Ms. Shreya Agawane</b>	72-76
13	A Study To Evaluate Effectiveness of Information Booklet on Knowledge Regarding Oral Care Practice for Preventing Ventilator Associated Pneumonia among 2nd Year Basic B. Sc. Nursing Student in Selected Nursing College of Metropolitan City <b>Ms. Sukanya Jangade</b> <b>Mrs. Greeshma Minesh</b> <b>Ms. Prachi Vavhal</b>	77-82

# 11. Cloud Kitchen Business Model - Case Study

**Dr. P. Pon Meenakshi**

Professor & Head- IQAC, Department of Management Studies,  
Nehru College of Management, Coimbatore.

**Dr. K.Gunasundari**

Associate Professor, Department of Management Science,  
PSG College of Arts & Science, Coimbatore.

---

## Abstract

Cloud kitchens also referred to as ghost kitchens, invisible kitchens, or even online kitchens basically represent a restaurant business strategy focused solely on delivery. These are the cost-effective concepts of the future for the restaurant industry. Instead of allowing consumers to dine in, Cloud Kitchens uses internet applications to interact with them and deliver food. In essence, the infrastructure consists of a kitchen configuration and integration with meal delivery software. They offer significant advantages over traditional restaurants, including lower investment, reduced rent, and minimized risks, making them an attractive option for entrepreneurs and established eateries alike.

**Key words:** Cloud Kitchen, dine in, eateries, Indicators

## Introduction

There are currently more than 4,000 cloud kitchens in India, and by 2024, the sector is predicted to grow from \$400 million to \$2 billion. Cloud kitchens are becoming more and more popular among eateries. The effective use of technology has been pivotal in this evolution, enabling streamlined operations, cost reductions, and enhanced customer service. However, cloud kitchens also face challenges such as maintaining operational standards, managing technology costs, securing adequate funding, ensuring effective customer communication, optimizing delivery efficiency, and upholding high hygiene standards.

Despite these challenges, cloud kitchens present a viable and sustainable future for the F&B industry. They align with current consumer trends towards convenience and health, leveraging sophisticated technology to meet changing demands. For cloud kitchens to continue thriving, they must focus on key performance indicators like customer loyalty, effective promotions, accuracy in orders, competitiveness, employee metrics, and labor costs.

But the following are the causes of their fame:

### 1. Less Investment

Establishing a cloud kitchen demands less capital than opening a full-fledged restaurant. You don't need to hire employees or decorate the inside, in addition to not having a

dine-in option. It is possible to establish a cloud kitchen at a reasonable cost with minimal overhead.

### **2. Less Rent**

Since a dine-in option is not required, you can locate your cloud kitchen in any low-rent area. Your cloud kitchen can be set up in a food truck, commercial space, or even a basement.

### **3. Less Risk**

Since opening a cloud kitchen requires less capital and there is no concern about dine-in business, it is less riskier than opening a full-fledged restaurant. A cloud kitchen can be opened under one brand or as a single entity.

The number of eateries and food companies in India appears to be driving the industry's ongoing growth and evolution. The company has grown steadily, and by 2021, it is projected to grow at a CAGR of 20%.

The effective use of technology is the other crucial area on which the sector needs to concentrate. The way individuals order, pay for, and get meals has changed dramatically as a result of technology. Restaurants can lower expenses, enhance customer service, and automate processes with the use of technology. Customers may now get meals from their favorite restaurants more easily, for instance, thanks to internet food delivery services, cutting expenses. Customers may now get meals from their favorite restaurants more easily, for instance, thanks to internet food delivery services.

Still, the food and beverage sector needs a great deal more work. As consumer preferences and trends change, the sector has continued to expand and evolve. For instance, the restaurant industry is now concentrated on using food to promote health and fitness. The F&B industry in India has been overtaken by the healthy eating trend, which is predicted to increase at a CAGR of 27% by 2022.

## **Future Difficulties for Cloudbitchens**

### **1. In a Suitable Operational Framework**

Due to the virtual nature of the business, the management disregard standard operating procedure (SOP). Supervisors frequently lament that they are unable to oversee or control the workforce in the same manner as they did in a typical restaurant. However, it is far more challenging to keep an eye on delivery staff members' work. The majority of the effect is also thought to be caused by poorly managed order procedures and lost or delayed deliveries as a result of poor managerial strategy.

### **2. The Development of Technology**

One of the main issues that cloud kitchens face is replacing real estate and technology expenses. If technical features are compromised, cloud kitchens cannot operate. Technology needs to be updated and maintained on a regular basis, which will incur costs.

### **3. Inadequate Funding Sources**

Since the company uses outside applications to conduct business, drivers are used to make deliveries. Therefore, there is a significant risk of cash management errors or fraud by drivers, as well as losses from incorrect or delayed orders or disgruntled possibility of driver fraud or carelessness while handling cash, loss from incorrect or delayed orders, or disgruntled customers. Entrepreneurs need to understand that starting a business requires more than just financial investment.

### **4. Insufficient Customer Communication**

Cloud kitchens provide online food services, but client communication lags. This results in complaints, unhappy consumers, and a negative reputation.

### **5. Reduce Speed during Delivery**

Keeping an eye on the delivery staff is difficult. Various systems, including a GPS tracking system, additional managerial personnel, and expensive approaches, are employed to ensure optimal delivery efficiency. However, the brand's reputation suffers and the delivery process is disrupted.

### **6. Poor Working Conditions and Sanitation**

Hygiene is the primary reason influencing the new SOP since authorities are enforcing and monitoring cloud kitchens in a more straightforward manner. Here, the clients can't see the kitchen or the employees, whose hygiene standards are weakened. Hygiene is the primary reason influencing the new SOP, according to experts in cloud kitchens. Here, the kitchen and employees, whose cleanliness standards are breached, are hidden from the consumers. This speaks to the calibre of the meal.

### **Essential Cloud Kitchens Performance Indicators**

The new SOP is mostly impacted by hygiene, according to cloud kitchen authorities. The kitchen and staff are hidden from the clients, compromising the level of hygiene. The food's quality is reflected in this.

#### **Important cloud kitchen performance indicators are:**

#### **1. Customer Loyalty**

The most prosperous cloud kitchens receive 70% of their income from devoted and recurring clients. It is therefore important for firms to maintain track of orders from returning clients and offer further incentives.

#### **2. Influential Promotions**

Cloud kitchens should keep an eye on the success of any online campaigns and see if a rise in deliveries as a result. Marketing campaign ROI is calculated with the use of these data.

### **3. Accuracy**

Cloud kitchens must keep track of the number of client complaints they receive as well as the number of orders that are sent back or recreated. To prevent wastage, staff members should be aware of customers' particular demands and dietary restrictions. To prevent extra fees, the amended orders must also be appropriately priced.

### **4. Competition**

A lot of firms thrive in an internet competitive climate. Businesses using cloud services can monitor how many promotions their rivals run.

### **5. Workers**

Employee movement is a good indicator of how well the business's delivery system and other functional aspects are operating. Metrics including labor turnover, sick days or call-offs, and the employee's perspective on how delivery is going must be monitored.

### **6. Labor Costs**

Since labor is one of a restaurant's biggest expenses, cloud kitchens help to keep labor costs under check. To ensure that delivery activities are profitable, total labor expenses and labor hours must be tracked.

## **Teaching Notes**

### **Synopsis**

Many cloud kitchens nowadays are taking eco-friendly measures in an effort to provide distinctive services while retaining their original identities. From their cooking methods to the materials used for food packaging, many cloud kitchens have embraced a genuine and ecological approach.

Modern technology, shifting consumer food consumption patterns, and a financially stable business model are all contributing to the F&B industry's revolution through cloud kitchens. In India, the food service industry's future will be greatly influenced by sophisticated machine learning algorithms, automated delivery systems, and a trained labor force.

### **Questions**

3. Can the restaurant sector benefit from cloud kitchen technology?
4. Do you think cloud kitchens should be adopted?
5. To whom will cloud kitchens affect the conventional kitchens that exist today?

### **Target Learning Group**

This case study can be taught in universities which will be useful for the learners to be aware of the success of Indian teleshopping market.

### **Teaching Objectives**

The following are the teaching objectives of this case:

- To understand about the Cloud Kitchen in India.

- To determine the success behind the Cloud Kitchen Business Model.
- To analyse the growth that were made in this sector.

### **The Teaching Strategy**

The prime requirement for this case study is that the learner must be aware of the channels that were used in this industry, their growth towards Cloud Kitchen and their success. The case may take a longer time to read and understand. Instead a group assessment can be given and each group can be allotted with different sub headings of the case. The group members can take notes and discuss with the other groups.

### **Individual Assessment**

The students can be asked to know about the popular channels and the reason for their success in Cloud Kitchen Business Model in India for the discussion of this case.

### **Group Assessment**

The different sets of students can be separated among different groups for the discussion of this case which will be easier for them to discuss.

### **Teaching Strategy**

The case study is intended for use in educational settings to educate students about the Cloud Kitchen, its challenges, and strategic responses. It can be used to facilitate discussions on marketing channels, consumer behavior, and market dynamics in India

### **Teaching Plan**

- Introduction (10 mins)
- About the case (20 mins)
- Reasons for their success (10 mins)
- Summary (15 mins)

### **Conclusion**

In summary, cloud kitchens have the potential to significantly benefit the restaurant sector by providing a flexible, scalable, and efficient alternative to traditional dining establishments. As the industry evolves, cloud kitchens will play a crucial role in shaping the future of food service, driven by innovation and a customer-centric approach.

### **References**

1. <https://timesofindia.indiatimes.com/blogs/voices/cloud-kitchen-is-the-future-of-the-restaurant-industry-in-india-with-robust-technology-and-a-lucrative-business-model/>
2. <https://shipox.com/6-challenges-faced-by-cloud-kitchens-and-restaurants-a-quick-guide-to-solutions/>