

Cloud kitchens mushroom as pandemic shifts demand

Several firms are launching cloud kitchen brands to home-deliver popular foods to Indians

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India's ₹4.2 trillion restaurant industry, battered by the coronavirus pandemic, is aggressively launching cloud kitchen brands to home-deliver burgers, biryani, pizzas and other popular food. Restaurant owners have seen their dine-in footfalls plunge but takeaways and deliveries improve.

Multiple firms, large and small, are expanding their cloud kitchen base, also known as ghost or dark kitchens, which are in effect internet-enabled delivery-only restaurants. Wow! Momo Foods has raised funding recently with the promise of starting 50 cloud kitchens even as it expands its Quick Service Restaurant business.

Others are experimenting with models such as hosting third-party brands on to their existing back-end kitchen infrastructure, as well as introducing online-only food concepts.

For Zorawar Kalra, the managing director of Massive Restaurants, which runs popular fine-dine restaurants such as Farzi Cafe, Pa Pa Ya, and Made in Punjab, food delivery was not really big on the radar until the pandemic hit and he launched a vertical dedicated entirely to building six cloud kitchen brands. Two of those, Butter Delivery and Louis Burger, are live in select markets. Louis Burger will expand in the National Capital Region market in mid-October.

"I have always been a firm believer in serving food in a completely controlled dining environment. We were doing very well in our offline business and the only reason I did not like delivery, initially, is because I thought that our food would not travel well in delivery," he said. Kalra has since put all



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of the company's restaurant brands online.

Cloud kitchen brands will appeal to an audience that wants to increase the frequency of ordering in restaurant-

eries, restaurateur Riyaaz Amlani said at an event hosted by the National Restaurant Association of India. Most restaurants have tripled their delivery business since the coronavirus out-

TTSF Cloud One. The pandemic has been particularly hard on the chain. Of the 120 outlets it operated before the pandemic, 20 have shuttered permanently. "The journey has been very different in the last one-and-a-half years," said Yeshwanth Nag Mocherla, the company's co-founder. TTSF Cloud One went live in April with the Wowffles brand. It then partnered actor Tiger Shroff to launch cloud kitchen health foods brand Prowl Foods.

TTSF Cloud One operates as a cloud kitchen ecosystem with in-house and third-party brands on its platform. It plans to add 50 cloud kitchens by the end of this year, including a burger, pizza, biryani brand and a Bubble Tea brand.

OPEN FOR CHANGE

INDIA'S ₹4.2 trillion restaurant industry took a major hit during the covid-19 pandemic

MANY firms are now hosting third-party brands on existing back-end kitchen infrastructure

ZORAWAR Kalra's Massive Restaurants is looking to build as many as six cloud kitchen brands

THE Thick Shake Factory has also expanded into a multi-brand cloud kitchen vertical

style meals at home, Kalra said. "We don't want physical stores. These brands will remain pure virtual-only brands with very high scalability and very low asset costs," he said.

Pre-covid, 5% to 10% of business for dine-in eateries came from home deliv-

break, said Amlani, chief executive officer and managing director of Impresario Handmade Restaurants.

The Thick Shake Factory (TTSF), which started out as a chain of beverage outlets, has also expanded into a multi-brand cloud kitchen vertical under