

Strategic market gaps for possibility of Cloud Kitchen implementation in metro cities with Swiggy sales for analysis

Introduction :

O.S.Y.M Kitchen is an experimental Cloud kitchen establishment based Chennai. This is the document explains in detail about business core, advantage of cloud kitchen, establishment plan, Budget and Capital allocation and business development phases of business.

Cost effective Cloud kitchen over traditional (many to one supply) Hotel model

The below table represent the cost effective restaurant Cloud kitchen model over traditional model. Data based on the same many to many supply model one month data

The many to many model comprises of 3 categories The Kitchen, The Dine-in and The Delivery

Sl. No	Traditional Hotel	Expense diversity	Cloud kitchen
		The Kitchen	
1	30000	Equipment (cooking) - one time investment	22000**
		Grocery	
2	15000	Perishable	5000
3	10000	Non perishable	3000
		Miscellaneous	
4	4000	Power	2500
5	500	Water	100
6	3500	Packing	3500
7	45000*	Salary	14000*
		Marketing	
8		Physical	
	10000	Preliminary - one time	12000
	20000	Regular	35000
9		Digital	
	-	Preliminary - one time	30000
	-	Regular	2000
Grand total	1,20,000		97,600

Swiggy Sales Force Analysis

This report presents an analysis of Swiggy's delivery force, with a focus on customer satisfaction and delivery time optimization. The primary objective of this analysis is to pitch for the expansion of cloud kitchens. By focusing on take-away customers, we aim to enhance customer satisfaction and reduce delivery times. The following sections provide detailed interpretations of the current food type distributions across various cities, emphasizing the need for strategic expansion in cloud kitchens.

1. Ahmedabad: The leading food types are Fast Food (8.79%) and North Indian (7.91%), indicating a high preference for these cuisines among the takeaway customer base. Implementing cloud kitchens specializing in these food types could improve delivery times and customer satisfaction.

2. Bangalore: North Indian (11.1%) and Chinese (11.1%) cuisines dominate the takeaway orders, suggesting a strategic opportunity to establish cloud kitchens for these popular food types to enhance service efficiency.

3. Chennai: The top food preferences are Chinese (6.3%) and Indian (6.3%), highlighting the potential for cloud kitchens to meet the demands for these cuisines and improve the speed of service.

4. Delhi: North Indian (11.62%) and Chinese (7.77%) are the leading cuisines, suggesting that cloud kitchens focusing on these food types can effectively cater to the takeaway segment and reduce delivery times.

5. Hyderabad: The popular cuisines are South Indian (6.87%) and North Indian (6.53%). Setting up cloud kitchens for these food types could significantly enhance service efficiency and meet customer expectations.

6. Kolkata: South Indian (5.65%) and North Indian (5.65%) cuisines are popular among takeaway customers. Cloud kitchens focused on these cuisines can help reduce delivery times and improve customer satisfaction.

7. Mumbai: Indian (9.83%) and North Indian (9.83%) cuisines are preferred by takeaway customers. Establishing cloud kitchens for these cuisines can optimize delivery times and enhance service quality.

8. Pune: North Indian (8.9%) and Chinese (6.02%) are the most ordered cuisines, providing an opportunity for cloud kitchens to cater efficiently to these popular demands and reduce delivery times.

9. Surat: Indian (10.74%) and North Indian (9.83%) are the top cuisines, suggesting a strategic move to establish cloud kitchens for these food types to meet the high demand and ensure customer satisfaction.

PHASE 1

Has only one component the kitchen and the marketing

The Kitchen Budget: 1,61,000 INR

Share : 40000 INR

Profit upside: 8.6%* upside

in sale and profit accumulation (*will be modified based on pilot run results)

Share return : 3 months (profit of 18% from 3 months cumulative sale)

The first phase is setting up the kitchen with only POS delivery, no dine in. This will be more like adhoc kitchen.

Selling points

1. No transfat
2. Zero waste cooking
3. No frozen food

Menu: Price

Sandwich

Veggie grilled /plain - 65/60

Paneergrilled /plain - 85/80

Cheese corngrilled /plain - 75/70

Cheese Chilli grilled - 95

Burger

Veggie burger / patty burger 95/ 110

Paneer Burger /patty burger 110 / 120

Cheese corn burger / patty burger 120/140

Fries

French fries - 65

Cheese nugget - 120

Veg nugget - 95

Soup

Veg soup - 55

Veg stew - 65

Tomato soup - 55

Mixed veg corn soup - 75

Combo

Veg pulao/ fried rice with

Gobi manchurian - 175/210

Veg noodles / sechzwan with

Panner manchurian - 195/220

Veg patty burger + Tangy fries - 235

Double cheese patty burger +

Cheese nuggets - 285

Veg panner pulao/ fried rice +

mushroom manchurian - 195/235

Osym Special

Bombay sandwich - 100

Bahubali sandwich - 150

Buddy bite burger - 150

Double cheesio burger - 210

Tangy Scheswan noodle - 120

Cheese buddy noodle - 130

Tangy cheese fries - 100

Spicy fries - 85

Ramen soup - 100

Summer Special

Mint Mojito 70

Fruit cocktail 80

Full toss fruit punch 100

Berry blast 100

Fresh juice 120 (serves two)

Initial Setup:

For a quick and effective kitchen, we utilize and replace about 60% of the equipment to electric.

Kitchen run time - 3 pm to 11 pm

Groceries

Perishable : Cheese (morzerilla and normal block cheese), and all short shelf period cooking

needs - bi weekly needs

Non perishable : Trotilla, Bun, bread, oil and other long shelf period cooking needs bi weekly

needs

Total budget of : 12000

Ads and marketing

Given high property since it is the first time in establishing the brand.

Newspaper notice per copy 10 paise for a week end - 6000*2 - 12000

Swiggy and zomato ads based on demand in area (chitlapakkam circle) packages starts from 15000 but best one for - 30000 (daily offers, on time delivery offers, pro offers etc)

There after budget will be cutoff to 5000 per month only digital ads physical ads based on demand.

Total cost for ads intital month cost : 42000

$89000(\text{INITIAL MONTH}) + 17000 \times 3(3\text{MONTH PILOT TEST}) = 1,40,000\text{INR} + 21000$

$=1,61,000$

Appendix 1:

The below documents explains the skeleton of the business model for cloud kitchen can be used by anyone as their own brand

On review of setup cost decided to buy refurbished equipments Which reduces 28% of the initiation cost.

Needed equipments –

Air fryer refurbished – gobbler brand 2799

Sandwich maker – 1299

Electric stove – already available

Coffee maker – available

ERice cooker – available

Mini fridge – 4949

Utensils – available

Groceries – 5000 (depends)

Packages will be thru use and thro paper packages

Paper package and butterpapers – 5000 – for 2 months- buy in wholesale

Stickers (company logo) – 850 – 1000 stickers

Social media promotions remains the same –

digital marketing – 6000 – 3 months

physical marketing – boards, logo design, menucard print, flyers – 10000

Rental and EB – 15000 (5 months total)

miscillenious – 10000

Total 74297

round off - 75000

Target audience includes the people lives in big apartment complexes so we could get lunch or dinner order

Expected sale projection

Weekdays school last bell time – $120 \times 20 = 3000$

Mid nigh sale combos – $220 \times 15 = 3300$

per day 6300 INR

per week – 31500 INR

per month – 138600 INR

Weekends – day time lunch combo – $210 \times 10 = 2100$

mid night combo or single items – $150 \times 20 = 3000$

per day = 5100

per week = 10200

per month (8 days) = 40800

projected sales = per month - 1220

weekdays = 980

weekends = 240

Projected income per week

per week = 41700 INR

per month = 179400 INR

6 months = 1076400 INR

taking back invested (75000) + 3 months investment (packaging and groceries)
(10000) + Digital

marketing (retargeting) (6000) = 91000

Gross earning approx. in 6 months = 985400

Conclusion:

As of conclusion, the traditional dine in model is been succeeded by QSR model restaurants, one thing the lockdown taught us is people feared about gathering in public and therefore delivery apps flourished, but still without the use of dine in space and only with kitchen, hotel owners faced huge loss on rent. By supporting Cloud kitchen model, Brands could reach wider audience, get individual feedback and cut cost at rent and improve and innovate food quality.