

A STUDY ON NEW TRENDS OF CLOUD KITCHEN AND CONSUMER PURCHASE DECISION

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ABSTRACT

The purpose of this study is to identify rapid growth of cloud kitchens has transformed the food industry. This report investigates consumer behavior in cloud kitchens, focusing on Chennai. It explores factors influencing purchase decisions, consumer preferences, and challenges faced by cloud kitchens in Chennai. The study aims to provide actionable insights for industry stakeholders.

This study explores cloud kitchens, a new trend in the food industry. It examines different business models (single-brand, multi-brand, etc.) and consumer perceptions of factors influencing their decisions (price, quality, convenience, brand reputation). It also explores the food industry in Chennai, including its traditions, recent innovations, and the technologies used. Finally, it discusses the challenges faced by the food industry.

1. INTRODUCTION

Cloud kitchens, a relatively new concept in India, have gained significant traction in recent years. These virtual kitchens operate exclusively online, offering a wide variety of cuisines and convenient delivery services. Chennai, a city known for its diverse culinary heritage, has witnessed a surge in the popularity of cloud kitchens, catering to the evolving preferences of its tech-savvy population. This study aims to explore the factors influencing consumer behavior in cloud kitchens, focusing on the Chennai market. By understanding consumer preferences, perceptions, and challenges faced by cloud kitchens, this research provides valuable insights for industry stakeholders.

This section explores the challenges faced by the food industry. These include environmental concerns like pollution and waste, along with keeping up with consumer demands for transparency, healthy options, and innovation. The industry also grapples with global competition and regional disparities in food security and practices. Despite these hurdles, the food industry is constantly adapting through technological advancements and a focus on sustainability.

Keywords: Cloud Kitchen, pricing, location, Customer, Preference

2. REVIEW OF INTRODUCTION

Nurul Syahirah Idris¹, Muhammad Afiq Zulkifly², Muhammad Safuan AbdulLatip³*Voice of Academia Vol.19 Issue (2) 2023, This conceptual paper explores the potential research area of Cloud Kitchens and their impact on consumer purchase decisions. It highlights the need for further research in this area, given the growing popularity of Cloud Kitchens and their unique challenges and opportunities. By identifying key factors influencing consumer decisions, this study can contribute to improving the quality and promotion of Cloud Kitchen products and services.

Twinkle Beniwal¹, Dr. Vidhu K. Mathur² Vol. 8, Issue 10, October 2021, International Advanced Research Journal in Science, Engineering and Technology, Cloud Kitchen: A Profitable Venture, This study examines the profitability of running a cloud kitchen over a traditional restaurant. The study concludes that cloud kitchens can be more profitable than traditional restaurants, especially for entrepreneurs who are willing to put in the same level of effort. This is due to their lower overhead costs, such as not having to pay for rent for a dining room. Cloud kitchens are a relatively new business model, but they are becoming increasingly popular.

3. RESEARCH METHODOLOGY

This study employs a descriptive research approach to identify customer preference and also Hypothesis testing from the objectives of my research. The target respondents are common people who are above 18 years. Both primary and secondary data were used in this study.

Primary data was collected through a well-designed, structured questionnaire via Google Forms. Among 112 respondents sample size of 112 is taken for research, under the age of 18 to 24, was selected using a simple random sampling technique. The collected data was analysed using Chi square tests and descriptive statistics.

4. OBJECTIVE OF THE STUDY

PRIMARY OBJECTIVES OF THE STUDY

- To study on new trends of cloud kitchen and consumer purchase decision

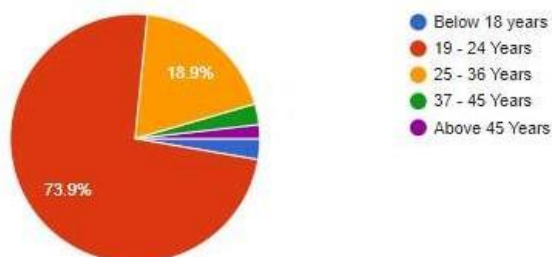
SECONDARY OBJECTIVES OF THE STUDY

- To identify the influencing factor to make purchase decision from cloud kitchen.
- To find the consumer preference of cloud kitchen on the basis of gender and marital status.
- To determine the relative influence of positive online reviews and physical location knowledge on cloud kitchen order decisions.

5. DATA ANALYSIS AND INTERPRETATION

The questionnaire became the basis to build five hypotheses (Null) for further testing. To analyse the results SPSS is used. In the data analysis process, a Single Factor ANOVA (Analysis of Variance) and a Chi-Square test were used for hypothesis testing. ANOVA is employed to determine if the means between two or more groups differ significantly. This section breaks down the study's descriptive analysis the customers preference towards cloud kitchen.

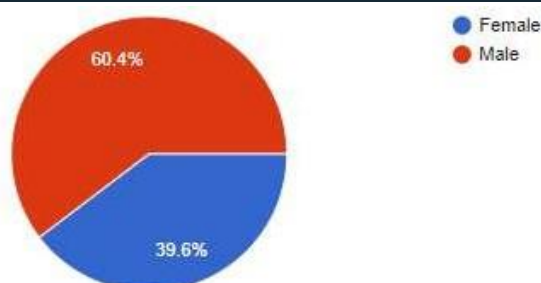
Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 18 years	3	2.7	2.7	2.7
	19-24 years	82	73.2	73.9	76.6
	25-36 years	21	18.8	18.9	95.5
	37-45 years	3	2.7	2.7	98.2
	Above 45 years	2	1.8	1.8	100.0
	Total	111	99.1	100.0	
Missing	System	1	.9		
Total		112	100.0		



INFERENCE

The study found that the majority of respondents (73.9%) were aged 19-24, followed by 25-36 (18.9%). Only a small percentage were under 18 (2.7%) or over 36 (4.5%). This suggests that young adults aged 19-24 are the primary target market for cloud kitchens.

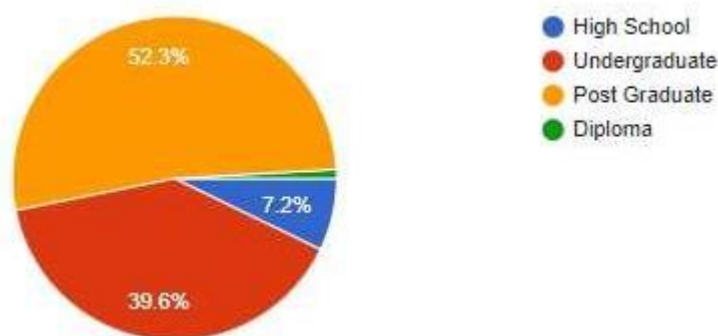
Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		1	.9	.9	.9
	Female	44	39.3	39.3	40.2
	Male	67	59.8	59.8	100.0
	Total	112	100.0	100.0	



INFERENCE

The study found that 60.4% of respondents were male and 39.6% were female. This suggests that gender may influence food purchasing habits from cloud kitchens.

Educational qualification					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School	8	7.1	7.2	7.2
	Undergraduate	44	39.3	39.6	46.8
	Postgraduate	58	51.8	52.3	99.1
	Diploma	1	.9	.9	100.0
	Total	111	99.1	100.0	
Missing	System	1	.9		
Total		112	100.0		



INFERENCE

The study found that most respondents (52.3%) had postgraduate degrees, followed by undergraduate degrees (39.6%). Only 7.2% had a high school education. This suggests that education level may influence food purchasing habits from cloud kitchens.

CHI-SQUARE TEST

To find out the difference between marital status and preference towards cloud kitchen.

HYPOTHESIS

H0: There is no association between marital status and preference towards cloud kitchen.

H1: There is an association between marital status and preference towards cloud kitchen.

CHI-SQUARE TEST STATISTICS

	_MARITAL_STATUS	EVER ORDERED FROM A CLOUD KITCHEN
Chi-Square	71.360 ^a	.225 ^a
df	1	1
Asymp. Sig.	.000	.635

INTERPRETATION

From the above chi-square analysis it is found that the significance value .635 is less than the table value (0.05). Based on the provided chi-square test results, **there is insufficient evidence to reject the null hypothesis**. The asymptotic significance (p-value) of 0.635 is greater than the commonly used alpha level of 0.05. This means that the observed data are not significantly different from what would be expected by chance.

ONE WAY-ANOVA TEST

To find out the significance difference between frequency of ordering food and factors influencing to purchase from cloud kitchen.

HYPOTHESIS

H0: There is no significance difference between frequency of ordering food and factors influencing to purchase from cloud kitchen.

H1: There is significance difference between frequency of ordering food and factors influencing to purchase from cloud kitchen.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	12.432	4	3.108	1.619	.175
Within Groups	201.532	105	1.919		
Total	213.964	109			

INTERPRETATION

The p-value of 0.175 is greater than the commonly used alpha level of 0.05.

This indicates that there is not enough statistical evidence to suggest that there are significant differences between the means of the groups being compared.

CORRELATIONS

To analyze positive online reviews and purchase through physical location.

HYPOTHESIS

H0: There is no relationship between positive online reviews and purchase through physical location.

H1: There is a relationship between positive online reviews and purchase through physical location.

		POSITIVE ONLINE REVIEWS	PHYSICAL LOCATION
Positive online reviews	Pearson Correlation	1	.335**
	Sig. (2-tailed)		.000
	N	111	111
Physical location	Pearson Correlation	.335**	1
	SDig. (2-tailed)	.000	
	N	111	111

INTERPRETATION

Correlation is significant at the 0.01 level (2-tailed)

There is a significant positive correlation between positive online reviews from other customers and knowing the physical location of a restaurant when ordering delivery. Customers who are more likely to read and trust positive online reviews are also more likely to be aware of the physical location of the restaurant before ordering delivery. This could be due to factors such as word-of-mouth recommendations, local marketing efforts, or a general preference for supporting local businesses.

6. FINDINGS

The study surveyed young people aged 19-24 (73.9%), followed by 25-36 (18.9%), with most respondents being male (60.4%) and holding postgraduate degrees (52.3%). Students were the majority (51.4%), followed by employees (37.8%). Most respondents ordered food delivery infrequently (1-2 times a month), with price (45.9%), delivery speed (32.1%), and positive customer reviews (22.0%) as the most important factors. Half of the respondents (47.7%) had ordered from a cloud kitchen, while most (54.1%) were unsure about the physical location of restaurants. Unique or limited-edition items were attractive to many (59.9%), with positive online reviews being crucial for considering cloud kitchens (46.8%). Detailed menu descriptions (35.7%), customer ratings (31.1%), and hygiene certifications (23.2%) were helpful in deciding to order, while lack of brand recognition (42.1%) and food quality concerns (37.8%) were challenges for cloud kitchens. Promotional offers (40.1%), wider variety (35.7%), faster delivery (27.3%), and improved packaging (17.9%) could encourage more frequent orders from cloud kitchens.

7. SUGGESTION

Strategies to the dominant demographic (young, male, unmarried students).

- Invest in building brand recognition and trust to address consumer concerns.
- Implement robust quality control measures to ensure consistent food quality during delivery.
- Offer unique and limited-edition menu items to attract customers and differentiate from competitors.

- Collaborate with well-established brands or restaurants to enhance credibility.
- Utilize technology to improve efficiency, accuracy, and customer experience.
- Actively seek and address customer feedback to identify areas for improvement.
- Participate in local events and initiatives to build a positive brand image.

8. CONCLUSION

This study provides valuable insights into consumer behavior towards cloud kitchens. It highlights the importance of factors like price, delivery speed, and positive reviews for consumers. Unique menu items and strong brand recognition are crucial for attracting customers. Addressing challenges such as food quality concerns and building trust is essential for the success of cloud kitchens. By implementing strategies like investing in brand recognition, ensuring food quality, and offering unique menu items, cloud kitchens can effectively cater to the preferences of their target demographic and thrive in the competitive food delivery market.

9. REFERENCES

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