

Delivery-only kitchens, otherwise known as 'dark kitchens' or 'ghost restaurants', are delivery-only commercial kitchens, with no physical customer-facing premises.

These venues are not conventional 'restaurants' and do not have tables and seating or walk in facilities. Instead, their food is only accessible online or through a mobile app and home delivery.

With the increased demand for home delivery and the uptake amongst restaurants, delivery only kitchens are the next development in the delivery arena. Of course delivery and dine in don't need to be mutually exclusive. The important thing is for restaurants to have the right mix for their customer base and business model, to be able to service customers profitably whatever their need is at that time, on that day.

What are the benefits of 'delivery-only'?

The increase in demand for home delivery, combined with the support of a provider (logistics, support and marketing) presents a great opportunity for some businesses. Some of the key benefits are:

- An option for restaurateurs to pool resources and reduce overheads by offering one stream of service for customers.
- The elimination of customer seating and waiting areas, which are often underused or vacant, reduced rent costs and the reduced overhead of wait staff.
- The ability to adapt menus quickly and easily, meaning they can respond to changing trends and taste. If a delivery only restaurant notices that a dish is not performing as well as expected for example, they can simply substitute it for something else. Platforms such as Menulog provide restaurants with data on order preferences and popularity, so restaurants can tailor their offering and fill gaps in the market.
- New restaurateurs can also test their brand and the concept's demand, whilst building a customer base in a low-risk environment, before branching out and opening a restaurant.
- Potentially shorter delivery times for customers, as focus is on online orders.

What are the considerations when looking at 'delivery-only'?

As with any business, focussing on one income stream, brings challenges and factors that restaurants should consider before opening a delivery only kitchen. Some key considerations are:

- Having a shop front allows walk in customers, as well as regular customers that restaurants can build loyalty with from face to face interactions. Operating a delivery-only kitchen removes these elements and potential orders.
- Restaurants looking into delivery-only need to ensure they have the appropriate licenses to operate a commercial kitchen from their selected location. This location also still needs to have all appropriate kitchen equipment, as well as be set up for a higher number of delivery orders. For example, room for additional stock of delivery merchandise, enough space for delivery drivers to park and collect food orders etc.
- Having a physical shop front builds a brand for your restaurant and can give customers confidence to order based on their physical perception of your store or images they see online. Again, without this

physical presence and being able to 'see' a venue some customers may have concerns around where their food has come from or feel uneasy about ordering from a venue that they can't physically visit.

- Restaurants should also consider the future of their business and whether they plan to expand in the future. Whether a delivery-only kitchen is an addition to an existing business or a new venture, it's important to assess how this aligns with business goals and how having a purely online presence may impact this.

Summary

For any restaurant reviewing the options of a delivery-only kitchen, it's essential to weigh up these benefits against the key considerations and determine whether it is a viable option for your business. While it may not work for some, it can certainly be a profitable business opportunity for others that aligns with the fast-moving market and customer behaviour trends fuelling the next phase of food-delivery innovation.

