

The Boom of Cloud Kitchens. Will They Be the Way Forward in Japan, Post-Pandemic?

Over the last couple of years, there has been an insatiable appetite for the food delivery business. This is especially so, amongst Asia's biggest markets. The boom in the food delivery sector fuelled the growth of cloud kitchens within the region.



Source: TOPSHOT - A delivery driver collecting a bag of freshly prepared lunch boxes from 'Donkatsu Kitchen'

In the early 2010s, there was an increased demand for high-quality meal deliveries. This led to a growing number of restaurants setting up delivery-only kitchens, known as cloud kitchens or ghost kitchens. These kitchens whipped up meals and have them delivered for consumption elsewhere.

When the pandemic struck, dining out became unavailable for billions. As a result, cloud kitchens experienced a massive growth which has not subsided even until now. Besides Japan, they have also mushroomed in China and India, and is expanding rapidly in Indonesia, South Korea and Malaysia. Current data shows that the cloud kitchen industry is estimated to be a [US\\$1 trillion business by 2030](#).



Source: AFP - Executive chef Arindam Sarkar puts chicken pieces onto a skewer at the DR Chef Fusion cloud kitchen facility in Mumbai

Depending on the location, opening a dine-in restaurant in Tokyo could cost at least 10 million yen. But starting a cloud kitchen costs a tenth of that cost. This is how popular brick-and-mortar restaurants are jumping on the bandwagon to scale-up and reach new customers.

For example, the famous Japanese beef-bowl chain [Yoshinoya opened up a dark kitchen in Tokyo's Setagaya-ku, in 2020](#). Another restaurant, the Japanese curry chain [Coco's Ichibanya operates a delivery-only kitchen](#) in another part of Tokyo.

There are also dedicated self-run dark kitchen operators like this Japanese start-up, [Ghost Kitchens](#). They operate 9 different brands, based out of one kitchen in Minato-ku, Tokyo, serving the Mita, Azabujuban and Roppongi area.

Meanwhile, [X Kitchen](#), led by two young entrepreneurs provides delivery for 6 different brands, from Japanese cuisine to fast food. Their kitchen is based in Kanda, Tokyo and backed by Skylark Ventures.

Another similar service, [Kitchen Base](#), is run by [SENTOEN](#). The team has two kitchens in Meguro and Shinjuku. The kitchen in Meguro is home for 5 different brands, covering Taiwanese noodles to chicken *dons*.



Source: AFP - Staff preparing takeaway orders inside a cloud kitchen for Thai restaurants under the iBerry Group in Bangkok

That said, experts reckon cloud kitchens are here to stay and are not a temporary trend. In fact, according to Statista in 2019, the revenue from online food delivery in Asia is projected to grow in 10.5% in the next four years. This is mainly attributed to the adaptability of customers and trust in ordering food from the perspective of safety, convenience and speed.

But that doesn't mean traditional restaurants are going anywhere. This only means that the industry is split into two distinct factions: dining-in restaurants and delivery-only restaurants.

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