

Cloud Kitchen Strategy in the Development of Culinary MSMEs: The Biscoffery

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ABSTRACT

The food and beverage (F&B) industry in Indonesia has shown rapid growth, particularly among micro, small, and medium enterprises (MSMEs) that have adapted to digitalization and shifting consumer behavior post-COVID-19. This study examines "The Biscoffery," a dessert-based MSME that successfully transitioned from a home-based pre-order system in Bekasi to a broader Jakarta market through the adoption of cloud kitchen services. Using a qualitative approach with in-depth interviews, the research analyzes business strategies implemented by The Biscoffery, including SWOT analysis, STP (Segmentation, Targeting, Positioning), business model canvas, and the 7Ps marketing mix. The findings highlight how cloud kitchens offer significant advantages in reducing operational costs, enhancing market reach, and streamlining operations compared to traditional storefronts. However, challenges such as dependency on online food delivery platforms and limited customer interaction remain. The study emphasizes the importance of product innovation, effective social media marketing, and branding as critical factors for sustainable business growth. This research provides practical insights for MSMEs aiming to optimize digital-based business models and leverage cloud kitchen services to expand their presence in competitive culinary markets.

Keywords: Cloud Kitchen; MSMEs; Marketing Strategy

INTRODUCTION

The food and beverage (F&B) industry in Indonesia is a dynamic and promising sector, mainly led by micro, small, and medium enterprises (MSMEs) (Azis & Karim, 2025; Pranata et al., 2022). These businesses have actively expanded their reach—including venturing into overseas markets—by offering innovative and high-quality food and beverage products. The potential for success in the culinary business in Indonesia is highly visible, with many successful entrepreneurs in this industry.

However, the COVID-19 pandemic has had a significant impact on the F&B sector in Indonesia and changed consumer behavior in purchasing food (Kusmarini et al., 2022). According to Adianto (2022), the development of increasingly advanced digital technology, as well as changes in lifestyle and consumer behavior, are the effects of the COVID-19 pandemic. Digitalization offers opportunities for F&B businesses to increase efficiency in cost management, increase profits, and enhance customer satisfaction. By adopting digital tools and platforms, culinary businesses can reach a wider market and simplify their operations for sustainable growth in the competitive F&B landscape. *Gojek* and *Grab* platforms that provide online delivery services have now been successful and are the most widely used in online food delivery services (Setyowati, 2021).

In response to the factors above, many MSME players in the food and beverage sector have adopted strategies such as *cloud kitchens* and food delivery services to survive, and even after the pandemic, the *cloud kitchen* trend still persists to this day. Fridayani et al. (2021) explores the use of *cloud kitchens* as a strategic approach for culinary businesses in Indonesia. Mulia (2021) quotes that *cloud kitchen* is a service that facilitates shared kitchens for food or

drink production activities, which can be occupied by culinary business owners, but all food and drink produced must go through an online delivery system to reach consumers. *Cloud kitchen* is specifically designed to produce food for delivery. With no dine-in service, the focus is entirely on preparing delivery orders. This allows *cloud kitchen* maintainers to optimize their operations, minimizing disruptions that may occur when food is served on-site, as occurs in traditional restaurants.

According to Juliana et al. (2020), a *cloud kitchen* is a food company that exclusively offers delivery services (usually through the app-based food delivery companies mentioned above) and sometimes takeout, and does not have dining options. *Cloud kitchens* not only serve one brand or restaurant but can produce food for several different brands in one physical location. This allows various types of food and culinary concepts to be presented to customers through one kitchen. According to Beniwal & Mathur (2022), *cloud kitchens* do not require strategic locations that are busy with people passing by. Apart from that, *cloud kitchens* do not require a physical appearance of the restaurant that is too good to attract attention, so the capital required to open it is less. However, a study by Sugiarto et al. (2023) highlighted that although these businesses benefit from not requiring a physical storefront, they face challenges such as dependence on food aggregators and limited customer interaction.

This research offers a unique examination of "The Biscoffery," an MSME in the food and beverage sector that successfully leveraged *cloud kitchen* services to expand its market presence from home-based operations in Bekasi to a broader audience in Jakarta. Unlike previous studies that primarily focus on the general advantages of *cloud kitchens*, this study specifically analyzes how "The Biscoffery" utilized strategic frameworks such as SWOT analysis, STP (segmentation, targeting, positioning), and the 7Ps marketing mix to navigate its growth.

By highlighting the practical application of these business models within a real-world context, this research provides valuable insights into how small culinary businesses can thrive with minimal capital investment while addressing challenges like dependence on food aggregators and limited customer interaction. This case study not only contributes to understanding *cloud kitchen* dynamics but also serves as a practical guide for other MSMEs aiming for sustainable growth in a competitive landscape.

METHOD

This research uses a qualitative approach, in which researchers conduct in-depth interviews with business owners who have succeeded in developing their culinary businesses by switching to using *cloud kitchen* services. The MSME chosen as the subject of this research is "The Biscoffery." The Biscoffery is a business operating in the Food and Beverage sector, which sells desserts with a *Biscoff* theme.

This research focuses on an analysis of how "The Biscoffery" developed its culinary business from initially selling from home in Bekasi, and then succeeded in expanding its market in Jakarta—without having to spend a lot of capital—because it used *cloud kitchen* services. This research identifies the application of SWOT analysis (strength, weakness, opportunities, threat) business model, as well as STP (segmentation, targeting, positioning), and the marketing mix 7Ps.

RESULTS AND DISCUSSION

Based on data generated from in-depth interviews with the business owner of The Biscoffery, several results were found which are described as follows:

SWOT Analysis

SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) is analysis which is used by project creators as the first way to analyze the business situation. SWOT analysis is a strategic planning method by considering and evaluating four elements: Strengths, Weaknesses, Opportunities and Threats (Nurfitriani, 2022). There are several strengths, weaknesses, opportunities and threats when starting a new sales system by collaborating with the cloud kitchen service and online food delivery platform, including:

- a. Strength: Go Food dan Grab Food is platform Online food delivery which has the largest market share in Indonesia at the moment, the purchasing power of the people of Jakarta is higher than the purchasing power of the people of Bekasi in buying food or drinks, judging from the average income, by using cloud kitchen services and focusing on online sales, it will greatly reduce operational costs compared to opening an offline shop, slightly different from other cloud kitchen concepts.
- b. Weakness: Because the cloud kitchen concept is online only, the market that can be reached is only online.
- c. Opportunity: The Biscoffery has the potential to become better known to the public, especially the people of Jakarta which are the new markets through online marketing, and if it has a greater market and customers, it will be easier for The Biscoffery to expand its business to open an offline shop.
- d. Threats: There are many competitors selling desserts in the Jakarta area, and they depend on platform online food delivery as well.

STP (Segmentation, Targeting, Positioning)

According to Schlegelmilch (2022), Segmentation, Targeting, and Positioning (STP) defines the key battlegrounds in any marketing strategy. Market segmentation aims to divide the market into smaller units, both geographically, demographically and behaviorally. Targeting is built based on segmentation results where the company evaluates the attractiveness of each segment and chooses to target one or several segments. Positioning, the final element of STP, seeks to create a clear, distinctive, and desirable place, relative to competing products and services, in the minds of target consumers. Therefore, marketers try to analyze STP to understand each market sub-segment, the target segment of a particular product based on its merchandising activities.

1. Segmentation

Based on demographics, they are among Gen Z - Millennials, men and women, students, private workers, and middle to upper middle class. Based on geography, people who live in the DKI Jakarta area. Based on the psychology, it is for people who like sweet food or dessert, and also those who like the taste of Biscoff. Based on their behavior, they are productive people, who are used to ordering food via online food delivery.

2. Targeting

Based on its profitability, The Biscoffery targets middle to upper middle class people, who will tend to spend more money to buy The Biscoffery products. Based on its size and growth potential, The Biscoffery will also target Gen Z and millennials, which will play a huge role in influencing other people to make purchases and create a trend.

3. Positioning

The Biscoffery will position its business especially for the Gen Z and millennials community who love desserts and are easily influenced by new and unique things. In general, Gen Z and millennials are also very familiar with the development of the food purchasing system in the digital era, starting from using applications online food delivery, up to the payment system digital. The same goes for taste Biscoff which is more familiar among Gen Z and millennials than other groups. Therefore, The Biscoffery positioned its first kitchen in Central Jakarta, with market potential including: Private employees at UOB Plaza offices, GoWork Plaza Indonesia, The Sinarmas Office Tower Land Plaza, etc. Then there are also residential areas, including: Thamrin Residences, Cosmo Mansion, Kempinski Executive Residence, Sudirman Park Apartment, etc.

Business Model

The business model canvas can be best described through nine basic elements that show the logic of how a company wants to make money. The nine blocks cover four main areas of business: customers, offerings, infrastructure, and financial viability (Osterwalder & Pigneur, 2013).

1. Customer Segment

The Biscoffery's target market includes students, men and women, generation Z to the millennial generation, but will target generation Z more because Biscoff will be more suitable and well known among them. Of course, they also like desserts or sweet foods, and are located in Jakarta.

2. Value Proposition

The value proposition of The Biscoffery is that we use premium ingredients in making our desserts, so that the resulting product will have high value. The marketed price is also affordable, ranging from IDR 11,000 to IDR 65,000 for personal sizes. Apart from that, the sugar used is stevia sugar which has a low index value and lower calories so it is better for health and consumers don't need to worry about getting fat when consuming products from The Biscoffery.

3. Customer Relationship

The way to reach customers is to be active on social media with interactive content such as opening an interactive column on Instagram Stories, and other features. Apart from that, The Biscoffery will also provide monthly discounts such as “buy 2 get 1 free” promotions, or provide free samples for new products, etc.

4. Channels

The media used in running this business is using Instagram and TikTok as catalog publications and image and video content. Then the sales media is through the online food delivery GoFood and GrabFood.

5. Key Activities

Activities carried out by The Biscoffery include the production process which is carried out in a kitchen that has been rented at one of the cloud kitchens in Central Jakarta, creating content for social media, placing advertisements as promotions, and making sales to generate profits.

6. Key Resources

Resources needed for The Biscoffery's operational activities include smartphones/tablets to access orders from customers via the application online food delivery, cookware, utensils packaging, as well as human resources.

7. Key Partners

The Biscoffery partners with our suppliers who supply the main ingredients in making products. The Biscoffery will also partner with someone who will promote as paid promoter, or those to be paid for endorsement. The kitchen provider, Eden Kitchens, will also be The Biscoffery's main partner in providing kitchen space.

8. Cost Structure

The costs required to run The Biscoffery include kitchen rental costs, purchasing cooking equipment, raw materials, packaging, as well as promotional costs such as advertising costs and operational costs such as internet and electricity costs.

9. Revenue Streams

The only income earned is from sales of all The Biscoffery products.

Marketing Mix 7P

According to Armstrong & Kotler (2015), Marketing Mix is a tactical set of marketing tools combined by a company to produce the response a target market desires. This concepts emphasized that there are 4 elements of marketing mix among others: Product, Price, Place, And Promotion. However, there are 3 additional elements, such as: People, Process, And Physical Evidence (Anjani et al., 2018).

The Biscoffery uses 7Ps marketing planning as a strategic reference in running its culinary business, because a culinary business like The Biscoffery falls into the hybrid category where it distributes products as well as serving and selling services. Description of the marketing mix designed in this research include:

1. Product: In The Biscoffery's business development project in expanding its market from just in the Bekasi area, then expanding to Jakarta, The Biscoffery experienced slight changes in the products it sells. Previously, The Biscoffery only sold Cheesecake and Tiramisu, but in this development project, The Biscoffery added two new products, namely Panna Cotta and Brownie. The Biscoffery also changed its product packaging to be even better, with a more colorful one and printed its own logo on the packaging.
2. Price: The prices of the products offered by The Biscoffery are priced from IDR 30,000 to IDR 40,000 for one product. Determination of the selling price of the product is taken from double the COGS. Apart from setting the selling price, The Biscoffery also set a special price, by providing a 20% discount for purchases via GoFood or GrabFood.
3. Place: Exact location of cloud kitchen which occupied The Biscoffery is in Office Park Thamrin City, Jakarta, Special Capital Region of Jakarta. In carrying out the business process, The Biscoffery also places its sales on the GoFood and GrabFood platforms.

4. Promotion: The initial promotion carried out by the Project Maker was in the form of uploading several photos on Instagram to introduce several menus. Then there are also discount promotions held by bundling several products and getting a 20% discount. Apart from Instagram, it also uploads content on TikTok to reach audiences on different media. Promotional activities on Instagram and TikTok aim to build brand awareness to new markets.
5. People: The organizational structure of The Biscoffery consists of the Founder and CEO who are tasked with making decisions on a plan, creating a timeline, researching business opportunities, searching for and exploring new business ideas, managing social media content, and creating budgets. Then there is the Co-Founder who is tasked with supervising business operational activities, purchasing raw materials, compiling SOPs, liaising with vendors and suppliers, and social media admin. Next, the Head Chef is in charge of designing menu recipes, making products in accordance with the product manufacturing SOP, controlling production activities for each product, and is responsible for cleaning the kitchen area. The last one is the Cook Helper, whose job is to assist the head chef with production activities, is responsible for cleaning the kitchen area, and carrying out stock taking.
6. Process: In carrying out its operations, every day The Biscoffery has standards so that the business can run in an orderly manner. Starting from opening the shop, by preparing tools for kitchen needs, ensuring all raw materials are available and ready to use, then cleaning the kitchen area. Then at the implementation stage, by recording orders that go to the kitchen, as well as ensuring the type of order and number of orders, maintaining the quality of raw materials when cooked, carrying out the process of making raw materials according to customer orders, ensuring the use of raw materials according to the regulated quantities, ensuring the timeliness of each menu that will be sent, ensuring that menus that are ready to be sent are delivered to the online delivery department for delivery to customer, packaging orders well and neatly so that they arrive safely in the hands of consumers, and ensuring that the kitchen area is always clean and the equipment is organized after cooking.
7. Physical Evidence: The image below shows The Biscoffery's kitchen space which is located in one of the cloud kitchens in the Central Jakarta area, which has an area of 9 m². This kitchen is used for the production of all menus and is also a place to store raw materials and store stock of products that are ready to sell. The image below also shows several products sold by The Biscoffery, including; Cheese Cake, Brownie, Tiramisu, And Panna Cotta. Then besides that, it also displays the physical form of packaging owned by The Biscoffery.

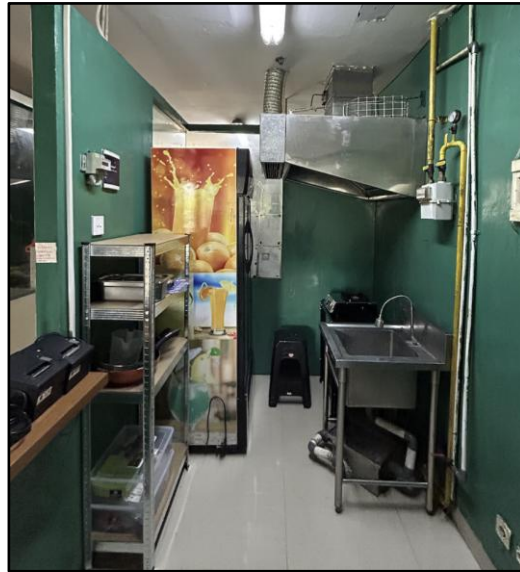


Figure 1. The Biscoffery Kitchen Room

Source: Researcher's personal documentation during a field visit to Eden Kitchens, Central Jakarta (2024)



Figure 2. The Biscoffery Products and Packaging

Source: The Biscoffery's official photo collection uploaded on the @thebiscoffery (2024)

In its efforts to expand from the Bekasi area to Jakarta, The Biscoffery has strategically adjusted its product offerings. Initially, the business focused solely on two items: Cheesecake and Tiramisu. However, recognizing the importance of diversifying its menu to attract a broader customer base and cater to varying consumer preferences, The Biscoffery introduced two new products—Panna Cotta and Brownie. This expansion not only enhances their product range but also positions them more competitively in the market. This aligns with the research conducted by Zailani & Suprihatiningsih (2024) which indicates that product innovation and development serve as effective marketing strategies for MSMEs.

Alongside product expansion, The Biscoffery has also updated its packaging. Effective packaging plays a vital role in attracting customers and conveying brand identity. Improved packaging can enhance the perceived value of products, making them more appealing both visually and functionally—especially for delivery purposes. This change is particularly important as it aligns with modern consumer expectations for convenience and aesthetics.

In addition to product development and packaging updates, The Biscoffery has effectively utilized social media platforms like Instagram and TikTok for promotional

purposes. These platforms are particularly valuable for reaching younger audiences who are highly engaged with visual content. On Instagram, The Biscoffery showcases mouth-watering images of their desserts, leveraging appealing visuals to attract potential customers. Meanwhile, TikTok allows them to create engaging short videos that highlight not only their products but also behind-the-scenes processes or fun recipe ideas involving their desserts. This dual approach not only boosts brand visibility but also fosters a sense of community among followers by encouraging interaction through comments and shares. Overall, combining product diversification with effective social media marketing strategies positions The Biscoffery for continued growth in a competitive culinary landscape. This is in accordance with research conducted by Maro & Praseyawati (2024) that Instagram social media has a positive impact on building brand awareness.

Table 1. Comparative Evaluation Table

Using Cloud Kitchen Services	Without Using Cloud Kitchen Services
More affordable rental and operational costs. If a business owner rents a kitchen at cloud kitchen, the rental fee required is IDR. 1,650,000, plus electricity operations, employee salaries, etc. It will be lower because it doesn't require a lot of energy.	Shophouse rental prices in Jakarta currently reach Rp. 80,000,000 to Rp. 150,000,000 per year. Operational costs will also be higher because it requires more labor so that more employee salaries will be spent.
It doesn't have to require a lot of employees. It is enough to recruit at least two employees to cook due to the small size of the kitchen area.	Requires at least three to four employees to help operate kitchen activities.
Equipped with facilities such as toilets, prayer rooms, cleaning staff, security systems such as 24 hour CCTV, security officers, high speed WiFi, as well as a system Point of Sales (POS) where this system will work to assist product transactions. The kitchen area has also been neatly built, equipped with an exhaust, stainless steel sink, central gas supply, tablet, printer and software for recording income.	Have to recruit your own security officers, manage your POS independently, and all facilities have to be created independently.

Source: Researcher's analysis based on operational data from The Biscoffery and a survey of shophouse rental prices in Jakarta (2024)

Based on the research results, important factors that must be considered in using cloud kitchen services to support the success of a culinary business. First, cost efficiency. One of the biggest advantages of using a cloud kitchen is its affordability. For example, renting space in a cloud kitchen usually costs around IDR 1,650,000 per month, which includes essential facilities and shared resources. In contrast, renting an independent storefront often involves much higher costs such as renting physical space, utilities, maintenance costs, and additional staff for on-site service.

Second, operational flexibility. Cloud kitchens are specifically designed for food preparation and delivery without the need to accommodate dine-in customers. This allows businesses to focus entirely on fulfilling online orders efficiently. Without the need for front-of-house operations or customer seating areas, entrepreneurs can simplify their processes and reduce the potential for disruptions that often occur in traditional restaurants.

Third, market reach. The use of cloud kitchens also allows businesses to reach customers more effectively through online platforms without being limited by location constraints that are common in physical stores. Since these kitchens can operate from less visible locations while still providing quality food delivery services through apps like Gojek or GrabFood, they can reach a wider market without the high rental costs associated with a prime location.

In short, opting for a cloud kitchen service offers many benefits for new culinary businesses compared to renting an independent storefront. Lower operational costs combined with increased flexibility and market reach make it an attractive option for entrepreneurs looking to establish themselves in the competitive food industry while minimizing financial risk.

CONCLUSION

Based on the research that has been carried out, the business owner of The Biscoffery changed The Biscoffery's sales system from previously selling from home with a *pre-order* system in the Bekasi area only, to selling on an online delivery platform, where the business owner rents a *cloud kitchen* to reach new markets in Jakarta. This research uses SWOT analysis (Strength, Weakness, Opportunities, Threats) to identify the internal and external conditions of The Biscoffery in collaborating with *cloud kitchen* services. The study also analyzes the market with STP (Segmentation, Targeting, Positioning), assembles a business model using the business model canvas method, identifies the 7Ps marketing mix applied to The Biscoffery business, and ultimately produces a comparative evaluation of using *cloud kitchen* services versus not using *cloud kitchen* services. It can be concluded that if a business wants to expand its market in other areas and is based online, it will be more efficient and effective to use *cloud kitchen* services compared to renting a shophouse independently. For future business development, The Biscoffery is advised to continue utilizing *cloud kitchen* services as an online-based market expansion strategy while continuing to strengthen branding and digital marketing, so that it can reach more customers with efficient operational costs.

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