

# Make Innovation HAPPEN

**MIH Knowledge Article:  
The ghost kitchen: a disruptive business  
model for the food service industry**

Scotland  
A LAND OF  
food and drink

SCOTLAND  
IT'S TIME TO INSPIRE

The logo consists of the word 'CAN DO' in a stylized, blocky font. The letters 'C', 'A', and 'N' are stacked vertically in a teal color. The letters 'D' and 'O' are stacked vertically in a yellow color.

In their demand for a new type of food delivery service, customers have made it clear they want restaurants to come to them. Industry has obliged, and the knock-on effect has been the rise of a no-frills cooking space that caters for online delivery only.

Companies like Deliveroo, Just Eat and Uber Eats, have changed the concept of food-to-go forever. Before these disrupters came along, a stroll to the local chip shop, Indian or Chinese restaurant, was how we got our takeaway fix.

All that's changed, and food businesses have had to go digital to stay competitive. By answering consumer calls for more convenience, the food service delivery industry is now run by big data, easy to use apps, and a fleet of drivers on two and four wheels.

This has presented challenges but also opportunities. Is the ghost kitchen and restaurant the next big thing for Scottish food and drink entrepreneurs to engage with?

## **The ghost kitchen business model**

Outsourced virtual kitchens for home delivery services, facilitated by third party delivery apps, are needed to feed the insatiable home delivery sector. Deliveroo is already entrenched, having set up Deliveroo Editions in 2017.

The food delivery giant now operates a network of over 70 ghost kitchens, sometimes called 'dark kitchens' across London, Brighton, Reading, Nottingham and Leeds, and is growing this arm of its operation further, both domestically and internationally.

Without the need to interact with customers directly, ghost kitchens can offset the cost of a delivery system with cheaper real estate, operations and labour costs. All that's required is a space kitted with industrial kitchen equipment, along with two or three chefs to make the food.

Ghost kitchens can help to not disrupt traditional restaurant businesses, and can ensure the quality of both dining experiences is not impacted by overstretched kitchen staff. By outsourcing kitchens for delivery only services, restaurants could benefit from increased custom and customer satisfaction.

Also, digital menus help restaurants gather and use customer data to restructure and refine their business model. This is something they can't do with traditional paper menus and allows them to react to changing trends in the industry quicker.

## **Business growth opportunities in Scotland**

Operating an effective food delivery service definitely presents a challenge to the food service industry. To keep up with the demand for high-quality home-delivered restaurant meals, ghost kitchens could help relieve the pressure on traditional restaurants, by separating home-delivery requests from the service they provide to their sit-in customers.

The ghost kitchen model has potential to make the growing delivery service sector more efficient in the long-term, could strengthen the industry as a whole and open up further food and drink business opportunities in Scotland.

# Innovation support for Scottish food and drink companies

If you want to understand more about the growth potential of ghost kitchens and restaurants in Scotland, get in contact with our Make Innovation Happen team.

Make Innovation Happen is a single source of innovation support for businesses involved in the Scottish food and drink supply chain.

Scotland Food & Drink, Scottish Enterprise and Highlands & Islands Enterprise work in partnership across academia, the public sector and the industry to deliver a comprehensive innovation support service.

Make Innovation Happen can help your business by providing:

- [Access to 'connectors'](#), who can offer support, advice and mentoring, as well as direction to appropriate support
- Ideas and insights on how to innovate through articles and events
- Funding through the [Collaborative Innovation Fund](#)
- Help to access other innovation services provided by Scottish Government, [Scottish Enterprise](#), Highlands & Islands Enterprise, Interface and others

To find out more about the support available, please get in touch with the Make Innovation Happen team:

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