



## Investigating the Factors that Drive the Success of Halal Cloud Kitchen in Bangladesh

Dr. Rafiuddin Ahmed<sup>1</sup>, Muhammad Intisar Alam<sup>2</sup>, Maria Sultana<sup>3</sup>, Mahafizur Rahman Jim<sup>4</sup>

<sup>1</sup>University of Dhaka, Bangladesh, rafi.mkt@du.ac.bd

<sup>2</sup>University of Dhaka, Bangladesh, intisar\_alam@du.ac.bd

<sup>3</sup>University of Dhaka, Bangladesh, intisar\_alam@du.ac.bd

<sup>4</sup>Central Queensland University, Australia, jim.mkt.du@gmail.com

**Abstract.** With the integration of new technologies, various industries, including the food sector, are experiencing significant transformations. The emergence of Cloud Kitchens represents a notable technological shift within the food industry. This research endeavors to uncover the key factors contributing to the success of the Halal Cloud Kitchen sector in Bangladesh. To achieve this, a structured survey questionnaire was designed and distributed through Google Forms. Three hundred twenty-three responses were gathered using the snowball sampling method and utilized in hypothesis testing employing multiple linear regression. The findings indicate that, among the six variables considered, food quality, packaging, and discounts substantially influence the prosperity of Halal Cloud Kitchens. In contrast, the remaining variables were found to be insignificant. Finally, this study analyzes critical success criteria for Halal Cloud Kitchens in Bangladesh, highlighting food quality, innovative packaging, and strategic discounts. It provides practical suggestions for improving business efficiency and competitiveness, identifying limitations, and suggesting future research areas.

**Keywords:** Online Food Services, Food Quality, Packaging, Halal Cloud Kitchen.

**\*Corresponding Author**

### INTRODUCTION

The world has seen severe economic turmoil as a result of the worldwide coronavirus pandemic, with many businesses struggling to keep up with the sharp changes in lifestyle that have occurred (Lee & Trimi, 2021). One of those adjustments is adapting to various online food delivery services. Ordering food online has substantially revolutionized restaurant culture and provided people worldwide substantially revolutionized restaurant culture and provided people all over the world with a new, unbelievable level of comfort (Gupta, 2019). Additionally, this is paving the way for the Cloud Kitchen business model's acceptability. In the Cloud Kitchen locations, just the food is produced. With the launch of its Cloud Kitchen company in 2019, Kludio is the first mover (Gomes, 2020). Being Bangladesh's first multi-brand Cloud Kitchen, they take pride in operating four different food brands, including Dough

on the Go, Hero Burger, Frybox, and Deshio, within the same structure and using their own designed software (Startup, 2021). Online delivery services have become more popular, and it appears that this tendency will continue as the coronavirus pandemic spreads and social distancing becomes more common (Gomes, 2020).

It can be predicted that Cloud Kitchens in Bangladesh will continue to gain popularity because customers might find it appealing to obtain wholesome meals from the comfort of their homes. Also, in Bangladesh, where a significant portion of the population follows Halal dietary norms, the rising popularity of Halal Cloud Kitchens reflects a unique potential. As most of the population of Bangladesh is Muslim, the kitchens that make foods and sell them are Halal by default. Halal means permitted to consume or use a product or services under the terminologies of Islamic laws (Alam et al., 2024). Despite the growing popularity of Cloud Kitchens, there is a notable lack of research on their success factors, specifically within the Bangladeshi context. Existing studies have not adequately explored how various factors, such as food quality, pricing, packaging, delivery, etc., affect the success of Halal Cloud Kitchens in Bangladesh. This study addresses this gap by identifying the critical success factors and providing actionable insights for industry practitioners and stakeholders.

## **LITERATURE REVIEW**

Due to the pandemic's compulsory adoption of lockdowns and social isolation measures, there has been a boost in online food delivery businesses (Bender et al., 2022). As consumers became increasingly cautious about dining out, Cloud Kitchens gained popularity due to their focus on contactless delivery and hygiene (Bender et al., 2022). Each innovative idea or business strategy needs time to develop and thrive. Traditional restaurants with a physical location compete globally with cloud-based restaurants (McCarthy, 2023). The business model of Cloud Kitchen has potential in Bangladesh, although it is still a relatively new idea (Ahmed Khan et al., 2022).

### **Price**

Consumer purchase decisions are influenced by various variables, including personal, social, economic, and psychological ones (Kholis & Ma'rifa, 2021). Therefore, according to their means, consumers will select the desired product price, and the appropriate price will entice the customers' interest to purchase that specific product. The price is a unit of measurement that can be used to purchase various goods and services (Supriatna et al., 2019). Hence, the

value of a good or service can be expressed in its price. The right price usually encourages customers to buy any product. Whereas, if the customers assume that the price that is set for any specific product is unfair, then they lose interest in the product (Supriyanto et al., 2021). Kotler and Armstrong (2018) state that consumers will consider price before purchasing because it is essential in purchasing activities. The value of a good or service is expressed in its price (Kotler & Armstrong, 2018). Hence, when purchasing any product, consumers will be concerned about the price when comparing the value in exchange for the cost. Given that people frequently compare their transactions with those of a comparable reference party using relative outcomes, price differences are expected to be considered unfair (Lastner et al., 2019). As seen in different studies, price is a very sensitive and influential variable for making purchase decisions for any individual product; therefore, it can be easily assumed that price can be a potential influential variable for ordering food too. Hence, it can be considered a variable influencing the success of restaurants as well as Halal Cloud Kitchens in Bangladesh.

### **Food Delivery Time**

Consumers are increasingly embracing online services for a variety of reasons, such as more disposable funds, a growing trust in electronic payments, and a surge in the number of sellers and the size of their distribution networks (Charlene Li et al., 2020). Charlene Li et al. (2020) conducted an interdisciplinary evaluation that combines academic research on a wide range of topics affected by the growing popularity of online meal delivery services. They have also examined the opportunities and problems that the rising use of this new service will create. The research also identifies potential for action by all stakeholders, including practitioners in the online meal delivery industry, policymakers, consumers, and academics, to maximize positive and mitigate negative impacts. On the flip side, technological and internet upgrades are having a significant impact on how restaurants operate. ("The importance of online ordering and delivery for restaurants," 2021). Given that the majority of people spend a substantial chunk of their days being active on different online platforms. As a consequence, customers are highly engaged in ordering food online ("The importance of online ordering and delivery for restaurants," 2021). Therefore, the next issue after online ordering is the delivery of the food on time. In this case, the delivery time might have a significant value in creating customer satisfaction. Delivery time is a critical variable in the e-commerce industry for maintaining and increasing customer satisfaction (Zulkarnain et al., 2015). It is being observed that fast deliveries usually result in satisfied customers who are more likely to make subsequent purchases ("Why is quick delivery important for your e-commerce business," 2022). No matter

how the transportation system or weather conditions are, customer satisfaction will suffer if the delivery takes longer than expected (Dholakia & Zhao, 2010).

In a similar vein, internet food delivery services have a significant impact on how customers perceive the restaurant business (Nayan & Hassan, 2020). Delivery issues are the main barrier to food e-commerce. As they need to be delivered to consumers in satisfactory quality, foods that quickly deteriorate might change tastes or flavors if they take longer than usual delivery time (Morganti et al., 2014). Food quality and satisfaction among consumers at fast food restaurants, on the other hand, have been proven to be connected (Law et al., 2004). Therefore, when restaurants are planning to provide a satisfactory service to consumers, they must ensure the food quality, which is seen to be connected with delivery time (Morganti et al., 2014). As a result, considering the repercussions of delivery time is critical to the success of both online food delivery and Halal Cloud Kitchen businesses.

### **Food Quality**

Perceived product quality has been recognized as a critical predictor of customer satisfaction and behavioral intentions in the service sector (Namkung & Jang, 2007). Since food is the restaurant's primary offering, it plays a significant role in the dining experience. It is commonly accepted that food quality has a significant role in determining consumer contentment and postdining behavioral intention (Liu & Jang, 2009). Food quality is the capacity of a food to satisfy consumer needs typically. Customers consider food quality an essential element of how they feel while eating (Ha & Jang, 2010). Customers view restaurant food quality as mediated by the menu's contents, appearance, dimensions, and selection (Liu et al., 2017). Using the food qualities of flavor, nutrition, and diversity, Ha and Jang (2010) assess the effects of customers' food experiences on their pleasure and their inclination to return to the restaurant. In addition, Sulek and Hensley (2004) claim that visual appeal, assurance, and dietary parameters are the most frequent characteristics customers use to evaluate food quality. They also claim that customer satisfaction with a restaurant is closely related to the overall quality of the food, which in turn affects the customers' propensity to make repeat purchases. In this way, customers become loyal to restaurants serving good quality food. Namkung and Jang (2007) conducted a study to explore customer behaviors in a restaurant environment, and they found that food quality is essential in influencing customer satisfaction, purchasing intention, and restaurant recommendation. Hence, food quality is also helpful for building a loyal customer base. Food quality is not only a crucial condition for traditional restaurants but also highly influential for

online food delivery businesses (Suhartanto et al., 2019). Therefore, based on the studies stated above, it is easily observed that food quality is something that should be considered a non-negotiable element for achieving success in the restaurant business industry.

## **Packaging**

In order to stay competitive and sustain themselves over the coming decades in an environment of competitive pressure, businesses must focus on creative marketing tactics (Rundh, 2013). Consequently, companies are starting to think of packaging as an effective means to set their product offerings apart from those of competitors (Rettie & Brewer, 2000). Because it is the first thing a buyer perceives before deciding whether or not to purchase a product, packaging has become even more important from the consumer's perspective (Rundh, 2013). Due to its expansiveness in developing new products, the food business has also introduced entirely new performance standards to the packaging market (Wyrwa & Barska, 2017). In the same way, being environmentally friendly has gained popularity among both businesses and customers. It suggests that a person or organization is making adjustments to try and have a less detrimental effect on the world around us. The main area where companies focus on making adjustments regarding this is their packaging ("How important is eco-friendly packaging," 2020). Due to the increased interest in ethical and environmental issues in consumer behavior, much research has also examined various aspects of environmentally conscious consumption (Rokka & Uusitalo, 2008). Because consumers choose whether or not to purchase a product, consumers are crucial to the market development of eco-friendly food packaging (Ketelsen et al., 2020). According to definitions, eco-friendly packaging is made from recycled materials, is riskfree for both people and the environment, and is simple to recycle. It uses components and manufacturing techniques that consume minimal energy and renewable resources ("What is eco-friendly packaging? and why it's important for your sales", 2019). In a study, Rokka and Uusitalo (2008) found that many consumers preferred packaging with an environmental label as an essential component in their purchase decision. Hence, the purchase decision of consumers is found to be significant for the packaging of the desired product. Therefore, to assess the influential success variables of the Halal Cloud Kitchen business, packaging-related concerns, especially the new trend of ecofriendly packaging, have to be observed very carefully.

## **Creative Advertisement**

Today, advertising is a crucial component of every business (Tray, 2019). Jim and Alam (2023) have concluded that advertisements play a significant role in changing customers' purchasing behavior. Any restaurant business seeking to grow and generate consumers must invest in advertising (Scerbacov, n.d). One of the most critical implications of globalization on the business sector is the immense independence of the consumer or customer as a global citizen. In contrast to previous centuries, the purchaser has become increasingly important (Terkan, 2014). Therefore, to impress consumers, individual companies/brands work continuously with different advertising methods. However, attracting the right customers is not easy. Advertisements are frequently avoided by consumers, and the reason for this avoidance is that they used to think advertising was boring and repetitive (Hutter, 2015). It is undeniably true that creative ads can produce stronger changes in behaviors towards the advertisement, the brand or product, and attitudinal loyalty (Baack et al., 2016), despite some studies' claims to the contrary (Ang et al., 2007).

A creative advertisement is artistic, expertly produced, and features unique ideas (Singam et al., 2014). Differentiation establishes a distinction with less innovative advertisements, which draws consumers' attention more readily. Creativity is highly regarded for its ability to grab people's interest and transmit information in a compelling or challenging way (Smith et al., 2008). Usually, consumers are more receptive, better remembered, and more positively viewed by messages and advertisements that are creative (Baack et al., 2016). Manufacturers and retailers must therefore come up with fresh, innovative advertising ideas that capture and hold consumers' attention if they want to increase advertising effectiveness and, as a result, sales (Sameti & Khalili, 2017). Usually, consumers are more receptive, better remembered, and more positively viewed by messages and advertisements that are creative (Baack et al., 2016).

From the discussion above, it is clear that restaurants should plan their advertising strategies carefully and don't just follow trends; instead, they aim to create new ones with innovative ideas that have the potential to capture customers' attention.

## **Discounts**

Advertising for sales is a vital part of the overall marketing strategy and one of the most influential aspects in beating the competition (Andriany & Arda, 2021). Discounting is a type of promotion that involves cutting the price of an item below its regular retail price to increase purchases (Pratt, n.d.). A price discount is a temporary decrease in a product's price from its

regular price (Halik & Nugroho, 2022). Nowadays, online retailers offer customers a variety of purchase options, many of which frequently include discounts (Sheehan et al., 2019). Providing consumers with savings over the product's standard price—which is displayed on its packaging or label—is the goal of a price discount (Amanah & Harahap, 2018). Price cuts are observed to significantly affect the target customers' propensity for impulsive purchases (Andriany & Arda, 2021). The promotional tactics of discounts have several advantages. Discount can entice consumers to make major purchases, foresee the promotion of rival businesses, and support volume trading (Belch & Belch, 2007). But in another study, Rosmaniar et al. (2020) found that discounts influence purchases in a favorable but not very significant way. Ittaqullah et al. (2020) have also shown in a study that discounts have no noticeable impact on impulsive purchasing. The study suggested that an increase in impulsive purchasing does not occur when there are numerous discounts offered on certain goods at particular times.

From the discussion above, it is observed that discounts influence the purchase decisions of consumers. Now it is needed to find out whether it should be considered an influential variable for satisfying the target customers of the Halal Cloud Kitchen business or not.

Considering the above discussions and statements, it is visible that there is a lack of studies addressing how factors like food quality, pricing, packaging, etc. uniquely affect this sector within the Bangladeshi context. Additionally, there is a need for practical insights that can guide industry practitioners in this region. This study seeks to fill these gaps by examining the critical success factors for Halal Cloud Kitchens in Bangladesh and providing actionable recommendations.

### **Objectives of the Study**

This research aims to pinpoint and gauge the impact of factors such as pricing, delivery time, food quality, packaging, advertising, and discounts on customers' perceptions of the overall service provided by Cloud Kitchens in Bangladesh. As a result, the specific goals of this study can be outlined as follows:

- a. To identify the variables influencing the success of Halal Cloud Kitchens.
- b. To measure the impact of the variables on the Halal Cloud Kitchen business.
- c. To provide suggestions regarding influential success variables to the existing owners or the new entrants of Halal Cloud Kitchens in Bangladesh, specifically in Dhaka city.

## Hypotheses and Conceptual Framework

H1: A reasonable price has a significant impact on the success of Halal Cloud Kitchen.

H2: Fast delivery has a significant impact on the success of Halal Cloud Kitchen.

H3: Food quality has a significant impact on the success of Halal Cloud Kitchen.

H4: Packaging has a significant impact on the success of Halal Cloud Kitchen.

H5: Creative advertising has a significant impact on the success of Halal Cloud Kitchen.

H6: Discounts have a significant impact on the success of Halal Cloud Kitchen.

### Conceptual Framework:

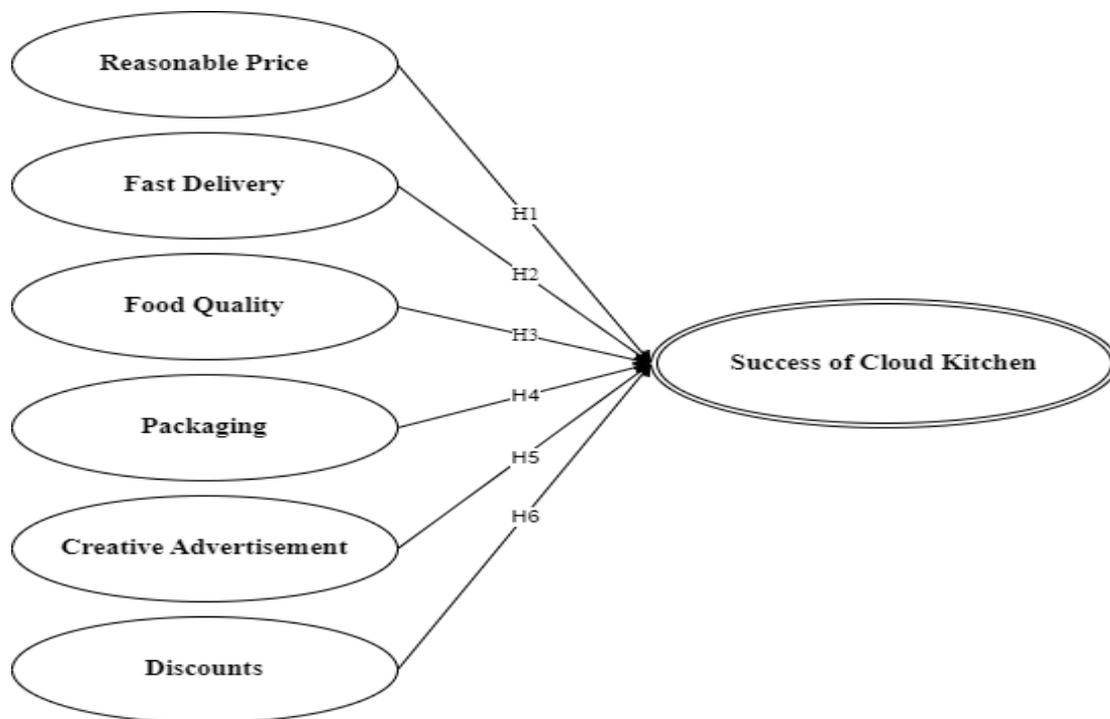


Figure 1. Conceptual Framework

Six factors that can affect the success of the Halal Cloud Kitchen business were identified by the researchers after studying the literature on the topic.

The first variable that seems to have an effect on the success of Halal Cloud Kitchens is the price of food. Therefore, affordable prices might have a positive impact on the minds of customers towards the perspective of Halal Cloud Kitchens in Bangladesh. The next variable that is identified is fast delivery. As this is an era of online food delivery services, fast delivery seems to be a must to ensure customer satisfaction. The third variable is regarding the quality of the food. As the taste of the served food is considered a vital thing to the customers, Halal

Cloud Kitchens must work on this. The fourth variable that is shown in the model is the packaging. As delivering food can be affected by its packaging, packaging can also have an impact on customers' perspectives. Then the fifth variable that is shown in the conceptual map is a creative advertisement. From the literature, it is seen that creative advertisements have the ability to convince customers to purchase specific products. Consumers are more inclined to respond to an advertisement if it is relatable to them or is associated with their interests. The last variable that was visible in the literature review is offering attractive discounts or coupons to customers. To grow awareness and interest among customers, discounts are found to be a proven way. Therefore, in the food industry, it might have a great impact. That's why the researchers are addressing discounts as one of the influential variables for achieving the success of Halal Cloud Kitchens in Bangladesh.

## METHOD

### Sampling and data collection

The snowball sampling technique was used in this study because it was useful to the researchers in terms of both cost and time and allowed them to choose the most suitable and convenient respondents for taking part in the study through recommendations from the respondents themselves. Online surveys were used to collect the data, and Google Forms was used to send the target respondents a self-created structured questionnaire. The sample size for this study was chosen in accordance with the requirements based on the variables taken into account (Riduwan and Kuncoro, 2008).

Table 1. Minimum Sample Size and No. of Variables

Number of Variables	Minimum Sample Size
3	200
5	200
10	200
15	360
20	630
25	975
30	1395

Source: Riduwan and Kuncoro, 2008

In this study, six variables are examined: reasonable price, fast delivery, food quality, packaging, creative advertising, and discounts. Table 1's data indicate that 200 samples should be used as the minimum sample size. 320 responses were therefore deemed adequate for the study. Due to the use of the snowball sampling technique, the researchers first contacted twenty-five respondents as a convenience sample based on their Facebook network. The recommendations provided by the first 25 respondents to their Facebook network were used to select the next respondents. Until all the data had been gathered, this process continued.

### **Data analysis tools and Methods**

Questions using a five-point Likert scale were coded to measure the extent of the influence on multiple variables. The study used a quantitative approach. The methodology is mostly concerned with the survey questions, sampling techniques, and statistical analysis. The six independent factors as well as the success of Halal Cloud Kitchen were evaluated using a 5-point Likert scale, where 1 indicates strongly disagree, 2 indicates disagree, 3 indicates neutral agreement, 4 indicates agree, and 5 indicates strongly agree. After the data collection, using a 5% significance threshold, multiple regression analysis was used to formulate and test hypotheses. On the basis of P values, hypotheses have been accepted or rejected. And find out the coefficients that impact the dependent variable and how much with one increase in independent variables.

To collect the data, 348 respondents were approached. Among the respondents, 14 don't know about the Cloud Kitchen concept, and 11 know about the Cloud Kitchens but have not ordered from them. Therefore, 323 respondents were taken into account as the sample size that satisfied the minimal sample size as determined by the sample size calculation indicated above.

### **RESULTS**

The significance level is set at 5% or 0.05 for testing hypotheses. Decisions about accepting or rejecting the hypotheses formulated earlier were determined by comparing the P-values of the independent variables with the significance level in this model. The P-value is crucial in deciding whether to accept or reject a hypothesis. The alternative hypothesis is accepted and the null hypothesis is rejected if the P-value is less than or equal to the significance level. To assess the likelihood of the response variable changing due to variations in independent variables, the coefficient of the predictor is employed. The outcomes of hypothesis testing, including the coefficient, a 95% confidence interval, and the P-value, are presented below.

Table 2. Hypotheses results

H	Variables	Coef.	P-value	Result
1	Reasonable Price	-.009	.849	Rejected
2	Fast Delivery	-.004	.933	Rejected
3	Food Quality	.287	.000	Accepted
4	Packaging	.773	.000	Accepted
5	Creative Advertisement	.044	.249	Rejected
6	Discounts	.255	.000	Accepted

The preceding results indicate that out of the six factors examined, food quality, packaging, and discounts are notably linked to the outcome variable. Conversely, reasonable price, fast delivery, and creative advertising do not display a substantial connection with the success of Halal Cloud Kitchen. The P-values for these three factors exceed the 5% significance threshold, leading to the rejection of hypotheses H1, H2, and H5.

## Coefficients<sup>a</sup>

Table 3. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1 (Constant)	2.822	.256		11.028	.000	2.319	3.325		
Food quality	.254	.043	.278	5.893	.000	.169	.339	.564	1.773
Packaging	.504	.031	.773	16.526	.000	.444	.564	.574	1.742
Fast Delivery	-.002	.023	-.004	-.084	.933	-.047	.043	.593	1.686
Reasonable Price	-.004	.019	-.009	-.190	.849	-.041	.034	.611	1.636
Discounts	.376	.077	.255	4.901	.000	.127	.225	.464	2.156
Advertisement	.028	.024	.044	1.155	.249	-.019	.074	.878	1.139

### a. Dependent Variable

Here, food quality, packaging, and discounts have a positive relationship with the dependent variable. Conversely, reasonable price, fast delivery, and creative advertisements do not have a significant relationship with the dependent variable. The highest significant positive coefficient is .773 for packaging, which means an improvement of one unit in packaging will impact the dependent variable by 0.773. Accordingly, food quality and discounts are found to be significant factors in the dependent variable success of Halal Cloud Kitchens, with the coefficients of .254 and .255 respectively.

## Model Summary

Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.776 <sup>a</sup>	.602	.595	.334

a. Predictors: (Constant), Advertisement, Packaging, Reasonable Price, Food quality, Fast Delivery, Discounts

b. Dependent Variable

**Multiple Correlation (R):** R has a value of 0.776, which is greater than 75% and equals 77.6%. It follows that there is a strong positive relationship between the dependent and independent variables.

**Coefficient of determination (R<sup>2</sup>):** The value of R<sup>2</sup> is .602 or 60.2%. This means that the independent factors can explain 60.2% of the variation in the dependent variable.

**Adjusted R<sup>2</sup>:** The adjusted R<sup>2</sup> value is .595, or 59.5%. This shows that the dependent variable can be explained by 59.5% more independent variables if they are included in the regression equation. Additionally, there is a .7% (60.2% - 59.5% = .7%) difference between R<sup>2</sup> and adjusted R<sup>2</sup>, which is less than 3%. Thus, it can be concluded that the model has the most relevant variable in the regression equation.

## ANOVA<sup>a</sup>

Table 5. Anova

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.546	6	8.924	79.988	.000 <sup>b</sup>
	Residual	35.368	317	.112		
	Total	88.914	323			

The p-value from the ANOVA table is .000, which is less than the level of significance ( $\alpha = .05$ ). As a result, all of the independent variables influence the dependent variable, and the model is credible.

### **Model Summary and Goodness of Fit Test**

A situation in which two or more predictors in a multiple regression model are linearly associated is referred to as multicollinearity. To measure the severity of multicollinearity among the independent variables, the VIF (variance inflation factor) is used. VIF is a well-accepted factor in measuring multicollinearity among the predictors. The maximum tolerable limit for the value of VIF is 5. If the VIF is greater than 5 (in some books, it is 10), it indicates multicollinearity problems. In this research, all of the VIF values are substantially lower than the recommended maximum limit. The independent variables' multicollinearity is not severe.

### **DISCUSSION**

By analyzing the hypothetical scenario, food quality, packaging, and discounts are found to be the prime reasons behind the success of Halal Cloud Kitchen. Other variables, such as reasonable prices, fast delivery, and creative advertising, have found minimum affiliation in the success of Halal Cloud Kitchen.

Customers are more likely to visit restaurants whose food quality is good. (Liu et al., 2017; Suhartanto et al., 2019). In Halal Cloud Kitchens, food quality helps businesses expand their business through repeat purchases by customers (Namkung & Jang, 2007). As there is no physical appearance in Cloud Kitchens and direct interactions between buyer and seller are not possible, food quality becomes the voice of the seller. This study has found that food quality has a significant contribution to the success of Halal Cloud Kitchens. We suggest practitioners take the necessary steps to increase food quality, which may bring success to their businesses. It is suggested that practitioners make investments in the best possible ingredients, maintain quality control procedures, and make sure that the employees get proper training on maintaining food quality standards to improve their performance.

Rundh (2013) found that in purchasing products, packaging plays a significant role from the consumer's point of view, and it has become more important because it is the first thing a consumer notices when they get interact with the product. Moreover, good packaging signifies that the seller is conscious of the safety of the customers, and the customer's perception of the product and the seller increases (Wyrwa & Barska, 2017). Behind the success of Halal Cloud

Kitchens, packaging was found to be a significant factor in this research. An eco-friendly approach to packaging that ensures food safety can create a good impression in the minds of customers. Additionally, superior value can be provided to customers through eco-friendly food packaging. Thus, it is prescribed for Halal Cloud Kitchen businesspeople to focus on packaging, which can become a key factor in the success of their Halal Cloud Kitchen business. It is recommended that businesses implement environmentally sustainable packaging options that guarantee food safety and demonstrate their dedication to sustainability. Using recyclable or biodegradable materials, such as paper-based or compostable containers, can help lessen the impact on the environment. Furthermore, adding features that are leak-proof and tamper-evident can improve product safety and customer trust.

Discounts can encourage customers to make large purchases, anticipate the promotion of competitors' businesses, and stimulate sales volume (Belch & Belch, 2007). A temporary decrease in product price influences customers to purchase, and it has a significant impact on the impulsive purchasing behavior of the target customers (Andriany & Arda, 2021). This study has also found that maintaining the quality and quantity of discount offerings can play a decisive role in the success of Halal Cloud Kitchens. Regular customers expect a price cut on their regular purchases, and customers purchasing in bulk amounts claim discounts. Moreover, price-sensitive consumers wait for discounts to purchase their desired food items. Therefore, business people in Halal Cloud Kitchens should focus on modified discounts, which will help them in customer retention and increase sales, which will impact the success of Halal Cloud Kitchen businesses. To effectively use discounts, it is critical to develop customized strategies that cater to certain customer groups. For example, volume-based discounts can be used to entice bulk purchasers, increasing sales and order value. Regular customers can benefit from loyalty programs or subscriptions, which improve retention and satisfaction. Seasonal or limited-time promotions might increase short-term sales by creating excitement. However, integrating these discount techniques with profit margin concerns is critical; this includes establishing discount limitations and constantly monitoring their influence on profitability to maintain long-term financial stability.

In conclusion, stakeholders should concentrate on a few critical areas to effectively use the insights given. Owners should focus on constant food quality improvements, explore creative and safe packaging alternatives, and adopt targeted discount programs for various customer types. Suppliers should contribute to these efforts by delivering high-quality ingredients and packaging that's not harmful as well as assuring consistent delivery. To ensure product quality,

delivery partners must follow best practices for food handling and transportation. Looking ahead, all stakeholders must be educated about future trends, such as rising demand for healthier food options and innovations in delivery technologies, to adapt strategies and maintain a competitive advantage in an ever-changing market.

This study has certain limitations that should be considered for future investigations. The primary data collection utilized a non-probability sampling method in Dhaka city, specifically from a convenient sample. Consequently, it is not appropriate to generalize the findings to all regions of Bangladesh based solely on this research. To enhance the validity of future research, it is advisable to employ a larger sample size encompassing a broader geographical area using probability sampling, which should encompass both rural and urban areas.

Moreover, this study exclusively focused on six variables while not taking into consideration several other potential influencing factors like age, educational background, and various demographic variables that could affect the success of Halal Cloud Kitchens. Thus, further research is warranted to incorporate these additional variables to gain a more comprehensive understanding of the factors contributing to Halal Cloud Kitchen's success.

Furthermore, it's worth noting that the survey primarily consisted of students, with only a limited number of participants from diverse occupational backgrounds. Hence, future research should aim to include a more diverse range of occupational backgrounds to provide a more representative perspective.

Future studies might expand on these findings by investigating additional variables or evaluating these drivers in different geographic or demographic situations. Further study would benefit from incorporating extensive descriptions of methodology and instruments, as this can improve the research's robustness and usefulness across many situations.

## **CONCLUSION**

This research endeavor aimed to uncover the key determinants contributing to the prosperity of Halal Cloud Kitchen businesses. A comprehensive literature review has led to the identification of six potential predictors. Notably, food quality, packaging, and discounts have emerged as significant factors strongly associated with the dependent variable. However, the remaining three variables were deemed insignificant in this study's findings.

This study's findings give a detailed knowledge of the success drivers for Halal Cloud Kitchens, as well as practical advice for businesses and stakeholders. This study, which focuses on food

quality, innovative packaging, and targeted discounts, contributes to effective business tactics and operational decisions. Furthermore, it contributes to the broader field of online food services by emphasizing specific elements essential to Bangladesh's Halal market.

## REFERENCES

- Ahmed Khan, T., Arman Khan, S., Haque, S., & Ayub, Md. F. (2022). A study on the prospect of the Cloud Kitchen Model in Dhaka. *International Journal of Business and Management*, 18(1), 46. <https://doi.org/10.5539/ijbm.v18n1p46>
- Alam, A., Sukmana, R., Sholikah, N., & Jim, M. R. (2024). Sharia Swimming Pool: A Practice and the Factors that Affect Consumers. *Indonesian Journal of Halal Research*, 6(1), 1–12. <https://doi.org/10.15575/ijhar.v6i1.14471>
- Amanah, D., & Harahap, D. A. (2018). Examining the effect of product assortment and price discount toward online purchase decision of university student in Indonesia. *Jurnal Manajemen Dan Kewirausahaan*, 20(2), 99-104.
- Andriany, D., & Arda, M. (2021, January). The Effect of Discount Prices Toward Impulse Buying Halal Food On Go Food Consumers in Medan. In *Proceeding International Seminar of Islamic Studies* (Vol. 2, No. 1, pp. 54-61).
- Ang, S. H., Lee, Y. H., & Leong, S. M. (2007). The ad creativity cube: Conceptualization and initial validation. *Journal of the Academy of Marketing Science*, 35(2), 220-232.
- Baack, D. W., Wilson, R. T., van Dessel, M. M., & Patti, C. H. (2016). Advertising to businesses: Does creativity matter?. *Industrial Marketing Management*, 55, 169-177.
- Belch, G. E., & Belch, M. A. (2007). *Advertising and Promotion: An integrated marketing communication, Perspective*. New York: e McGraw-Hill Companies.
- Bender, K. E., Badiger, A., Roe, B. E., Shu, Y., & Qi, D. (2022). Consumer behavior during the COVID-19 pandemic: An analysis of food purchasing and management behaviors in U.S. households through the lens of Food System Resilience. *Socio-Economic Planning Sciences*, 82, 101107. <https://doi.org/10.1016/j.seps.2021.101107>
- Dholakia, R. R., & Zhao, M. (2010). Effects of online store attributes on customer satisfaction and repurchase intentions. *International journal of retail & distribution management*.
- Gupta, M. (2019). A Study on Impact of Online Food delivery app on Restaurant Business special reference to zomato and swiggy. *International Journal of Research and Analytical Reviews*, 6(1), 889-893.
- Gomes, V. (2020). Halal Cloud Kitchens: Future of food delivery services. *The Daily Star*. <https://www.thedailystar.net/>
- Ha, J., & Jang, S. S. (2010). Effects of service quality and food quality: The moderating role of atmospherics in an ethnic restaurant segment. *International journal of hospitality management*, 29(3), 520-529.
- Halik, A., & Nugroho, M. (2022). The Role of Consumer Pleasure Moderating the Effect of Content Marketing and Price Discount on Online Shopping Decision and Loyalty of Generation Z. *Media Ekonomi dan Manajemen*, 37(1), 35-54.
- How important is eco-friendly packaging? *Green Journal*. (2020, January 20). Retrieved December 20, 2022, from <https://www.greenjournal.co.uk/2020/01/how-important-is-eco-friendly-packaging/>
- Hutter, K. (2015). Unusual location and unexpected execution in advertising: A content analysis and test of effectiveness in ambient advertisements. *Journal of Marketing Communications*, 21(1), 33-47.

- Ittaqullah, N., Madjid, R., & Suleman, N. R. (2020). The effects of mobile marketing, discount, and lifestyle on consumers' impulse buying behavior in online marketplace. *International Journal of Scientific and Technology Research*, 9(3), 1569-1577.
- Jim, M. R., & Alam, M. I. (2023). Factors Contributing to the Purchase Intention of Halal Fragrances (Ator): A Study on Dhaka City. *Global Management Journal for Academic & Corporate Studies*, 13(2), 45-63.
- Ketelsen, M., Janssen, M., & Hamm, U. (2020). Consumers' response to environmentally-friendly food packaging-A systematic review. *Journal of Cleaner Production*, 254, 120123.
- Kholis, N., & Ma'rifa, A. (2021). The Influence of price and income on purchase decisions among fast-food consumers: the mediating effect of lifestyle.
- Kotler, P., Armstrong, G., & Opresnik, M. O. (2018). *Principles of Marketing* (17th Global Edition). Pearson Education Limited
- Lastner, M. M., Fennell, P., Folsie, J. A., Rice, D. H., & Porter III, M. (2019). I guess that is fair: How the efforts of other customers influence buyer price fairness perceptions. *Psychology & Marketing*, 36(7), 700-715.
- Law, A. K., Hui, Y. V., & Zhao, X. (2004). Modeling repurchase frequency and customer satisfaction for fast food outlets. *International journal of quality & reliability management*.
- Lee, S. M., & Trimi, S. (2021). Convergence innovation in the digital age and in the COVID-19 pandemic crisis. *Journal of Business Research*, 123, 14-22.
- Li, C., Miroso, M., & Bremer, P. (2020). Review of online food delivery platforms and their impacts on sustainability. *Sustainability*, 12(14), 5528.
- Liu, W. K., Lee, Y. S., & Hung, L. M. (2017). The interrelationships among service quality, customer satisfaction, and customer loyalty: Examination of the fast-food industry. *Journal of Foodservice Business Research*, 20(2), 146-162.
- Liu, Y., & Jang, S. S. (2009). Perceptions of Chinese restaurants in the US: what affects customer satisfaction and behavioral intentions?. *International journal of hospitality management*, 28(3), 338-348.
- Morganti, E., Seidel, S., Blanquart, C., Dablanc, L., & Lenz, B. (2014). The impact of e-commerce on final deliveries: alternative parcel delivery services in France and Germany. *Transportation Research Procedia*, 4, 178-190.
- McCarthy, D. (2023, August 29). Cloud Kitchens and the future of restaurants. *The Restaurant Times*. <https://www.posist.com/restaurant-times/features/cloud-kitchens-future.html>
- Nayan, N. M., & Hassan, M. K. A. (2020). Customer satisfaction evaluation for online food service delivery system in Malaysia. *J. Inf. Syst. Technol. Manag*, 5(9), 123-136.
- Namkung, Y., & Jang, S. (2007). Does food quality really matter in restaurants? Its impact on customer satisfaction and behavioral intentions. *Journal of Hospitality & Tourism Research*, 31(3), 387-409.
- Pratt, M. (n.d.). A guide to discounts and promotions for D2C Brands. Retrieved December 20, 2022, from <https://www.adroll.com/blog/a-guide-to-discounts-and-promotions-for-d2c-brands>
- Rettie, R., & Brewer, C. (2000). The verbal and visual components of package design. *Journal of product & brand management*.
- Riduwan, & Kuncoro, E. A. (2008). Cara menggunakan dan memakai analisis jalur (path analysis). Bandung: Alfabeta.
- Rokka, J., & Uusitalo, L. (2008). Preference for green packaging in consumer product choices—do consumers care?. *International Journal of Consumer Studies*, 32(5), 516-525.
- Rosmaniar, A., Wandoyo, R., Kusuma, A., & Sanjaya, V. F. (2020). Pengaruh Citra Merek, Diskon dan Kelengkapan Produk terhadap Keputusan Pembelian. *Digital Economic, Management and Accounting Knowledge Development (DEMANd)*, 2(2), 20-27.

- Rundh, B. (2013). Linking packaging to marketing: how packaging is influencing the marketing strategy. *British Food Journal*.
- Sameti, A., & Khalili, H. (2017). Influence of in-store and out-of-store creative advertising strategies on consumer attitude and purchase intention. *Intangible Capital*, 13(3), 523-547.
- Scerbacov, V. (n.d.). Increase sales with advertising for a restaurant business. Retrieved December 12, 2022, from <https://www.bluebeeweb.com/blog/paid-advertising-for-a-restaurant-businesses>
- Sheehan, D., Hardesty, D. M., Ziegler, A. H., & Chen, H. A. (2019). Consumer reactions to price discounts across online shopping experiences. *Journal of Retailing and Consumer Services*, 51, 129-138.
- Singam, G. D., Karunagaran, P., Pandiyan, T. S. D., Subramanian, T., & Govindan, S. (2014). Creative advertising impact on customer acceptance of fast food restaurant. *Academic Research International*, 5(5), 308.
- Supriatna, Y., Adiyanto, Y., & Sunaryo, D. (2019). *Induksi Manajemen Pemasaran*. Surabaya: Qiara Media.
- Supriyanto, S., Ronal, R. A., & Melisa, M. (2021). Effect of Price and Promotion on Car Purchase Decisions at PT Encar Daihatsu Lubuklinggau. *International Journal of Community Service & Engagement*, 2(1), 42-49.
- Suhartanto, D., Helmi Ali, M., Tan, K. H., Sjahroeddin, F., & Kusdiby, L. (2019). Loyalty toward online food delivery service: the role of e-service quality and food quality. *Journal of foodservice business research*, 22(1), 81-97.
- Smith, R. E., Chen, J., & Yang, X. (2008). The impact of advertising creativity on the hierarchy of effects. *Journal of advertising*, 37(4), 47-62.
- Startup, F. (2021a, July 5). *On Building Kludio, Cloud Kitchen, and Entrepreneurship with Kishwar Hashemee, Founder, Kludio - Future*. Future Startup. <https://futurestartup.com/2020/12/08/founder-at-work-kishwar-hashemee-kludio/>
- Sulek, J. M., & Hensley, R. L. (2004). The relative importance of food, atmosphere, and fairness of wait: The case of a full-service restaurant. *Cornell Hotel and Restaurant Administration Quarterly*, 45(3), 235-247.
- Terkan, R. (2014). Importance of creative advertising and marketing according to university students' perspective. *International Review of Management and Marketing*, 4(3), 239-246.
- The importance of online ordering and delivery for restaurants. (2021, August 23). Retrieved December 12, 2022, from <https://lavu.com/blog/the-importance-of-online-ordering-and-delivery-for-restaurants/>
- Tray, L. (2019, August 28). The increasing importance of restaurant advertisements. Retrieved December 12, 2022, from <https://medium.com/@LimeTrayTech/the-increasing-importance-of-restaurant-advertisements-1bdce99a5d3b>
- Wyrwa, J., & Barska, A. (2017). Innovations in the food packaging market: Active packaging. *European Food Research and Technology*, 243(10), 1681-1692.
- What is eco-friendly packaging? (and why it's important for your sales). (2019, December 03). Retrieved December 20, 2022, from <https://www.rooland.com/what-is-eco-friendly-packaging/>
- Why is quick delivery important for your ecommerce business? (2022, April 18). Retrieved December 12, 2022, from <https://www.pickrr.com/blogs/quick-delivery/#:~:text=The%20faster%20you%20can%20get,will%20leave%20your%20store%20immediately.>
- Zulkarnain, K., Ahasanul, H., & Selim, A. (2015). Key success factors of online food ordering services: An empirical study. *Malaysian institute of Management*, 50(2), 19-36.