PIZZA

a SNAP! keynote

- study consumer attitudes and behaviors when it comes to pizza
- learn what motivates consumers to eat more pizza
- contrast generational affinities for pizza builds and ingredients
- compare at-home and foodservice pizza consumption
- identify operator challenges and discover new opportunities
- explore the pizza menu landscape and current trends

Grab a slice of data from the best place in town. It's topped with great insights. Pizza is one of the most-loved foods and not even a turbulent pandemic year could curb consumption. In fact, many people ate more pizza during this period, though where they got it shifted. Operators had to pivot, serving more pizza off-premise via takeout and delivery. Additionally, consumer purchase of CPG pizza from retailers grew notably compared to just two years ago. **Get the latest Pizza Keynote while it's hot (although it still tastes just as great cold).**

DATASSENTIAL

PIZZA: a SNAP! keynote

Topics covered

explore consumer pizza consumption and preferences

- discern just how often and where consumers eat pizza
- understand which varieties and toppings appeal to which consumers by generation
- assess consumer loyalty when choosing where to order pizza

discover motivators for eating more pizza: at- or away-from-home

- observe what consumers like and dislike when ordering a pizza
- get a read on which specific pizza components consumers see as most important
- find out how much the pandemic shifted pizza consumption to delivery, takeout, and retail
- read up on increased appeal for innovative pizza tech since 2018's Pizza Keynote

examine approaches to menuing pizza and operator challenges

- measure how operator pizza sales have performed during a pandemic year
- see how operators perceive pizza's role in their businesses
- contrast the challenges and barriers operators face menuing pizza
- compare pre-made and scratch-made pizza utilization across segments

dive into the latest menu trends and consumer ratings

- study how trends like cauliflower crust and vegan cheese have taken pizza by storm and learn with which consumers these components most appeal
- follow pizza menu penetration by foodservice segment over time
- become familiar with the fastest-growing pizza varieties and toppings on menus

From the report

OPERATORS

95% believe their pizza sales will increase or stay the same next year

75% offer more than one variety of cheese on their pizzas

60% focus primarily on classic pizza toppings

report

webinar

CONSUMERS

89% eat pizza with their hands

88% are eating more or the same amount of pizza as the previous year

45% usually order pizza from the same restaurant each time

1,501 consumers demographically balanced to the general population

354 restaurant, retail, and on-site operators

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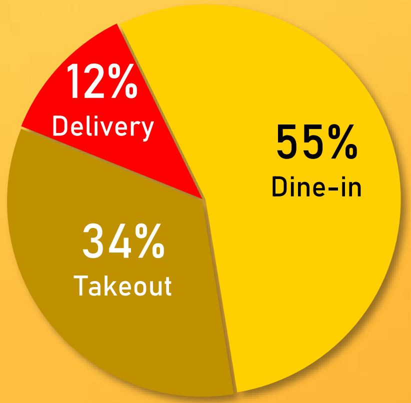
PIZZA

THE TAKEAWAYS

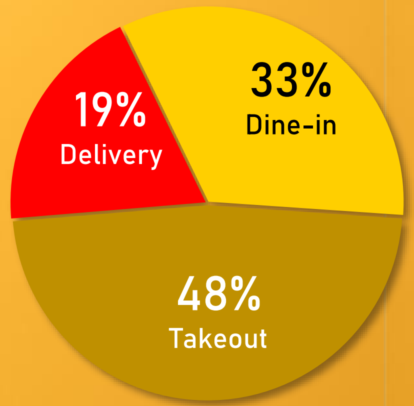
1. The pandemic pivoted pizza sales to off-premise.

Due to COVID-19, the past year was an unprecedented time for the foodservice industry and many operators had to change and adapt. This resulted in many operations shifting their focus to more off-premise sales through delivery and takeout.

Prior to the pandemic, more than half of all operator pizza sales were sold on-premise for dine-in occasions, takeout pizza represented a third, and delivery just 12% on average. But over the past year during the pandemic, dine-in occasions contracted to just a third of operator pizza sales, delivery grew to 19% on average, and takeout captured the lion's share of sales to comprise nearly half of all pizza sales. When consumers were asked how the pandemic affected their pizza consumption, the top reported answer was that it made them order more delivery and takeout.



Operator A8: Prior to the coronavirus pandemic, what percentage of your pizza sales would you estimate came from each of the following?

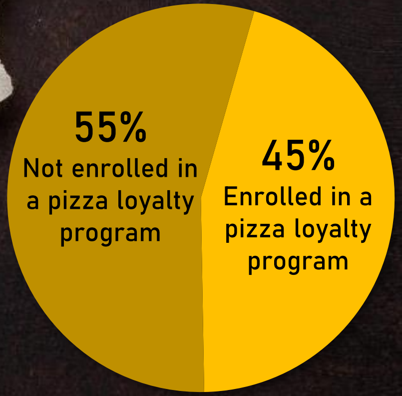


Operator A9: In the past year during the coronavirus pandemic, what percentage of your pizza sales would you estimate came from each of the following?

2. Pizza has a dedicated following.

Just under half of all consumers have a preferred restaurant that they typically order pizza from and 42% say they feel loyal to that specific restaurant. On top of this, 45% of consumers are currently enrolled in a pizza loyalty program at a restaurant, with that number being even higher for younger consumers (60% of Millennials, for example).

Only 20% of operator respondents claim to offer a loyalty program for their pizzas. Although consumer loyalty is high, there remains an opportunity for operators to gain more of their patrons' affection and become their go-to spot when it comes to pizza.



B8: Are you enrolled in a pizza loyalty program at any of the restaurants you order pizza from?

45% of consumers usually order pizza from the same restaurant regardless of specials at other restaurants.

42% of consumers feel very loyal toward their preferred delivery/takeout pizza restaurant.

B10: Please select which of these statements most describes your attitudes toward pizza.

3. The pandemic spurred consumers to purchase more prepared and packaged pizzas from retailers.

It's safe to say many foodservice locations took a heavy hit over the last year with the coronavirus pandemic, especially when it came to on-premise dining. Retail establishments, like grocery and convenience stores were positioned relatively better during the pandemic and many people traded what would have been visits to restaurants for trips to these types of locations. The percentages of consumers reporting to visit a grocery or convenience store *at least once per month* to purchase pizza both increased by double-digit percentages since 2018. Likewise, the rate of consumers buying CPG offerings to cook or prepare at home increased across the board during this time frame.

% of consumers purchasing at least once per month.

	2021	2018	CHANGE
Grocery store prepared foods	54%	43%	+11%
Convenience store	29%	19%	+10%

B5: How often do you purchase pizza at each of the following types of eating establishments?

% of consumers purchasing at least once per month.

	2021	2018	CHANGE
Frozen pizzas	63%	56%	+7%
Take & bake pizzas	43%	37%	+6%
Pre-cooked pizza crusts	32%	26%	+6%
Pre-made dough balls	28%	21%	+7%

C1: How often do you buy the following pizza products at a grocery store or other retail store?

	Consumer Interest	Operators Offering	Operator/ Consumer Gap
Stuffed crusts	56%	19%	-37%

D1: How interested are you in the following pizza trends?
Operator D1: Which trending pizza items do you offer?

4. Stuffed crusts are a missed opportunity.

Consumer demand for pizzas featuring crusts stuffed with ingredients like melted cheese or extra meat is considerably higher than current operator adoption. More than half of all consumers (56%) say they are *extremely* or *very* interested in stuffed crust pizzas. Additionally, 72% of Millennials find the concept appealing. Stuffed crusts also have the highest consumer appeal among the eleven Mega Trends (trends which highlight the most noteworthy things currently happening around pizza) featured in this report.

Yet operator adoption of stuffed crust is low. Only 19% of pizza-serving operator survey respondents currently offer stuffed crust pizza. Although 36% who didn't feature this trend claimed they'd be interested in offering it at their establishments. Stuffed crusts on menus overall have decreased according to Datassential's MenuTrends platform: The term "stuffed crust" declined in penetration on pizza menus -17% in the last year and -6% in the last four years.

All in all, the majority find pizza with extra ingredients packed into the crust very appealing, and manufacturers and operators alike have much room to expand and experiment with these types of offerings.

5. Cauliflower crust is on the rise.

Pizza is an immensely versatile dish, and unsurprisingly many exciting trends are occurring simultaneously in the space. But one trending ingredient stands out in particular: *cauliflower*, which can be featured either as a topping or crust-base.

The term “cauliflower” was one of the fastest-growing terms on pizza menus in recent years, according to Datassential’s *MenuTrends*. Alternative/gluten-free crusts (which prominently includes cauliflower) were found to appeal to nearly a third of all consumers (and 41% of Millennials). Additionally, numerous consumers specifically mentioned “cauliflower crust” when asked what types of innovative pizza dishes and products they would like to see available at restaurants and grocery stores.

6. Consumer appeal for next-gen pizza tech has incubated.

In just three years, consumer interest in innovative pizza technology has grown. And this is not surprising, as the coronavirus pandemic spurred unprecedented desire and need for safe, hands-free solutions. Offerings that only a decade ago may have sounded straight out of a science-fiction movie now appeal to a large part of the population. And this appeal for several of these innovative advancements in foodservice has increased since Datassential's last Pizza Keynote, which published in 2018.

Appeal for drone delivery in particular has grown notably in this short timeframe. Slightly more than a third of consumers found the concept appealing in 2018, but now, 42% are attracted to the idea. This is even higher for younger consumers, Gen Z and Millennials, a majority of whom like the idea. Younger consumers of these generations in general are more open to these technologies in every instance.

Although last year was marked by much uncertainty in the foodservice industry due to the coronavirus pandemic, one thing is for certain: The future will include many innovative food technologies, ones which perhaps even today might seem hard to fathom.

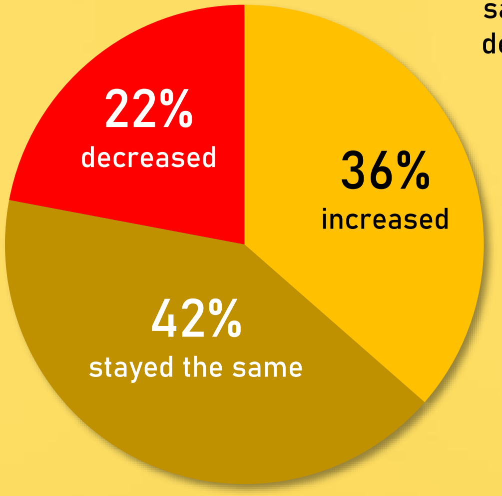
% of consumers selecting as "very appealing" or "somewhat appealing"	2021	2018	CHANGE
GPS tracking of food delivery	60%	58%	+2%
Pizza ordering from other devices	45%	44%	+2%
Flying or driving unmanned delivery drones	42%	35%	+7%
Pizza vending machine	38%	33%	+5%

D4: How appealing are each of the following types of innovative pizza technologies?

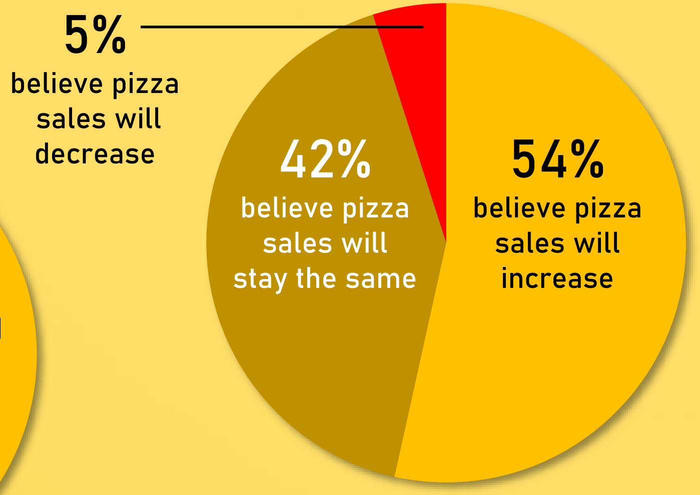
7. Operators are optimistic about the future.

The coronavirus pandemic has had a dramatic effect on the foodservice industry, and many operators have had to orient their business to accommodate more off-premise occasions. Around a fifth of operators experienced pizza sales decline during the past year.

Yet despite this, *most operators believe pizza sales will increase* during this upcoming year, a considerable amount more than those who think sales will remain flat. On top of this, very few operators who serve pizza believe their sales will continue to decline. All in all, many operators feel hopeful for the future, even if this means things just won't be as bad as 2020.



Operator A2: How has patron ordering of pizza from your operation changed over the past year?



Operator A4: How do you expect pizza sales in your operation to perform in the upcoming year?

THOUGHT STARTERS

Indulgent *and* healthful pizzas can both score big.

In general, many tend to view pizza as an indulgent dish. 40% of consumers outright claim they see pizza as a meal that does not necessarily need to be healthy, compared to a quarter of consumers who report that they prefer healthier pizza (the remaining 35% are on the fence between these two sentiments). This finding is reflected, to some degree, among the Mega Trends currently happening around pizza. Pizzas featuring stuffed crust as well as takes on global and regional varieties hold the most consumer appeal, outranking pies positioned as better-for-you or agreeable to certain diets like veganism or gluten-free.

However, this doesn't mean that healthier pizzas won't resonate with consumers. Although 40% see the dish as an indulgence, another 40% express interest specifically in better-for-you pizzas. Healthy, superfoods like avocado, kale, and arugula are among the fastest ingredients currently growing on pizza menus too. Bottom line: If a pizza is delicious, many consumers will love it, regardless if they view it as good for them or not.

THOUGHT STARTERS

Don’t ignore the plant-based trend.

Plant-based meat-alternatives have become very popular in recent years, especially when it comes to burgers. It is also a trend that many pizza-serving operators have been swift to incorporate. Around a fifth of operators claim to currently offer plant-based meat alternatives as toppings.

Plant-based alternative toppings may have ranked lowest among the eleven Mega Trends featured in this report, but 29% of consumers overall still find them appealing. Younger consumers in particular are attracted to meat analogues, 37% of Gen Z and 43% of Millennial consumers report interest in plant-based pizza toppings. When asked if they would be interested in pizzas that specifically highlight plant-based ingredients, over a fifth of consumers reported they liked the idea while a further 34% indicated they were undecided.

Plant-based is expected to grow on menus nearly +70% in terms of penetration over the upcoming four years according to Datassential’s machine learning tool *Haiku*. So, while these meat alternatives may primarily appeal to certain segments of the population, many more would likely be inclined to try them if presented with other traditional and more familiar pizza toppings. Operators should assess whether or not these plant-based ingredients fit within their operations, as consumers will increasingly seek them out.

THOUGHT STARTERS

Pizza is a blank canvas.

It's hard to think of a dish comparable to pizza when it comes to just how versatile it can be. Though salad has similar limitless potential, pizza as a platform presents infinities possibilities for customization and experimentation.

A traditional pizza may typically feature components like mozzarella, tomato sauce, and a wheat crust base. Yet, pizza can also be served for dessert and host ingredients like chocolate sauce or marshmallows. The "most important meal of the day," breakfast, can also be a time for pizza, perhaps topped with ingredients such as fried eggs and Canadian bacon. Really, *anything* can go on a pizza to satisfy nearly all occasions. In fact, this is the primary reason why consumers cook pizza at home from scratch, the ability to customize (46% of at-home pizza cooks cite this as a motive). Additionally, "create-your-own" was one of the fastest growing terms on pizza menus over the last four years, according to MenuTrends.

Chefs of all experience levels, whether at home or in a restaurant's kitchen, have unlimited potential for artistic culinary expression when making pizza.

PIZZA

MEGA TRENDS

PIZZA MEGA TRENDS

DATASSENTIAL

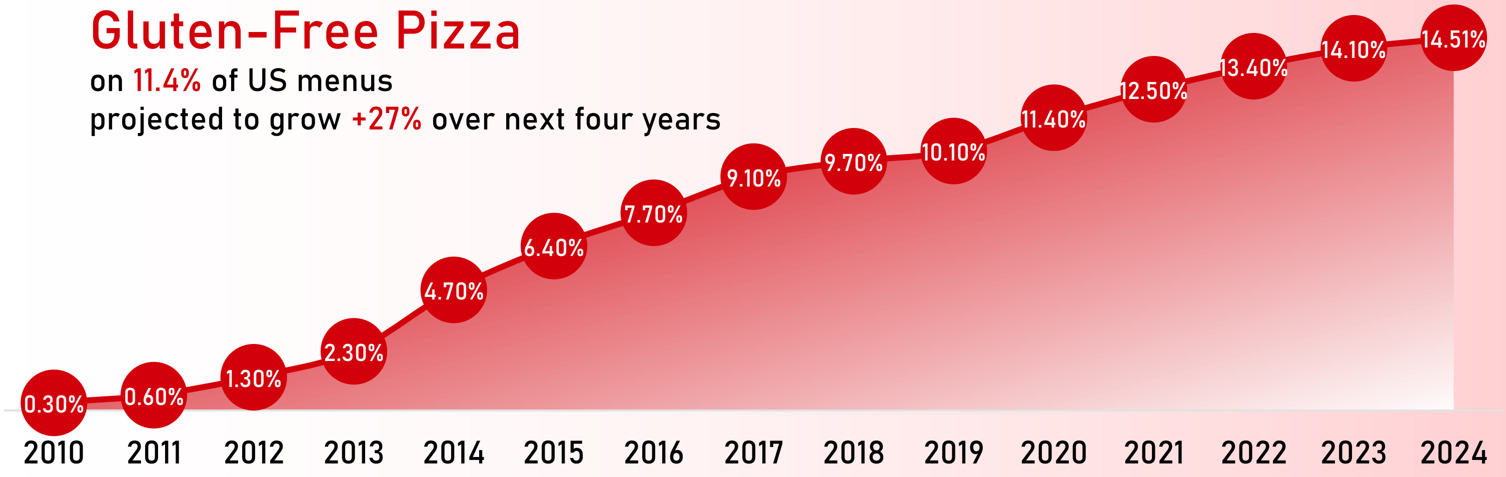
PIZZA

NEW DIRECTIONS & GROWTH

HIGH-GROWTH PIZZAS

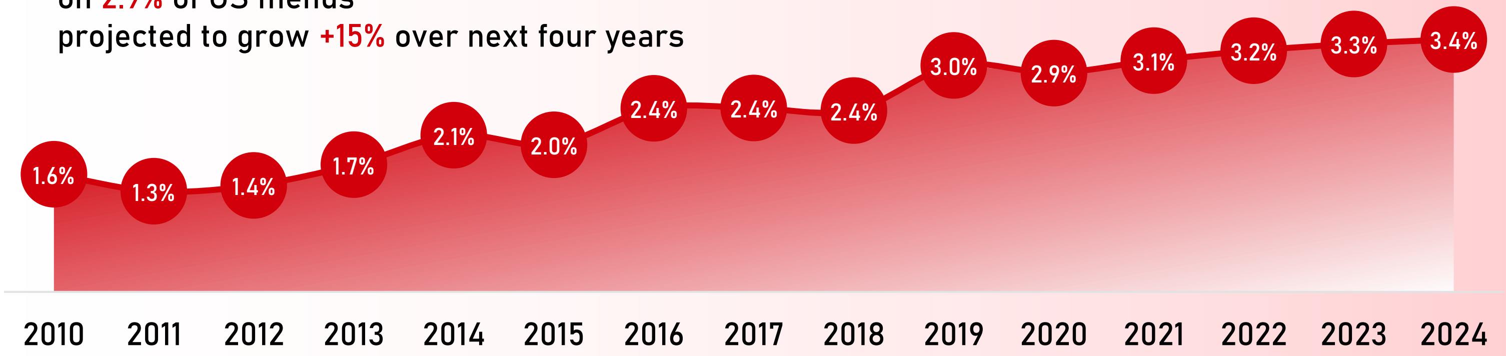
Gluten-Free Pizza

on 11.4% of US menus
projected to grow +27% over next four years



Breakfast Pizza

on 2.9% of US menus
projected to grow +15% over next four years



PIZZAS

CONSUMER PERSPECTIVES

| most-loved varieties
| purchase motivators
| attribute importance

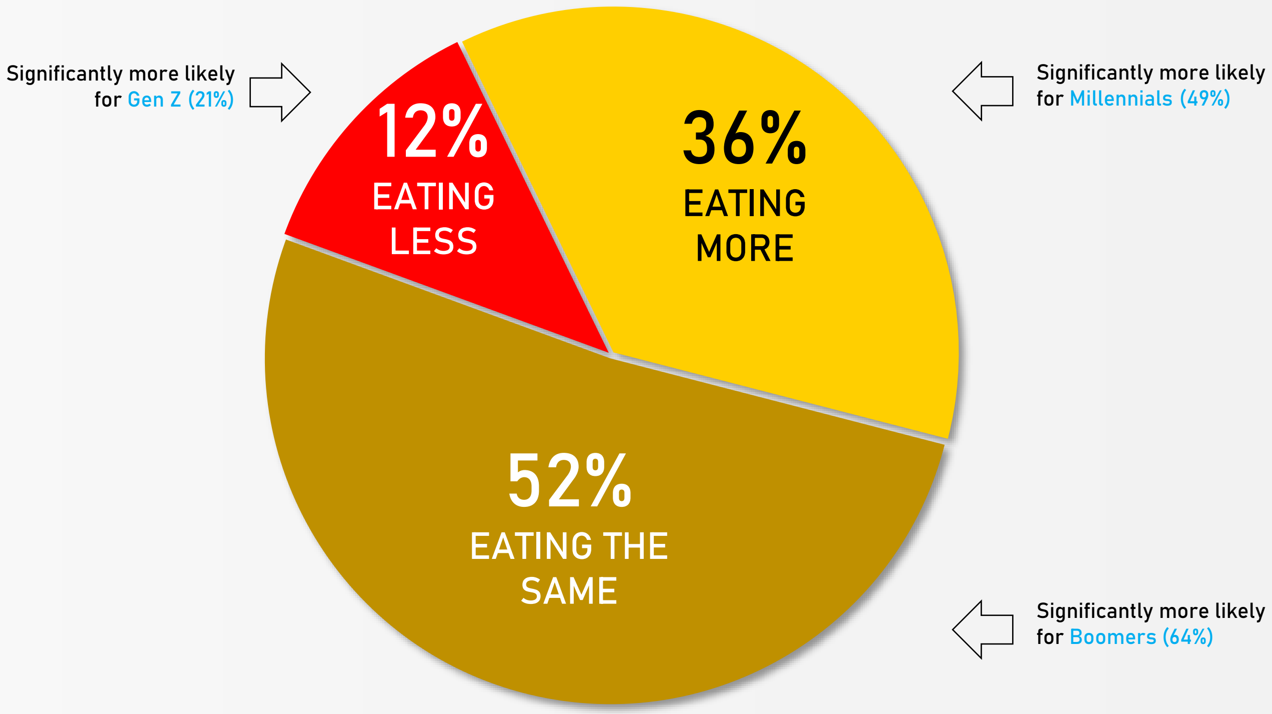
More than a third of consumers increased their pizza consumption over the past year, while just over half reported eating the same amount.

Nearly half of Millennials increased their pizza consumption, roughly two-thirds of Boomers had no change in how much pizza they ate, and a fifth of Gen Z consumers claim they decreased their intake.

88%

of consumers
are eating more or the same
amount of pizza
as the prior year

Changes in Consumption in Past Year



B1: How has your pizza consumption changed over the past year?

PIZZA

OPERATOR PERSPECTIVES

| formats offered
| attribute importance
| operator needs

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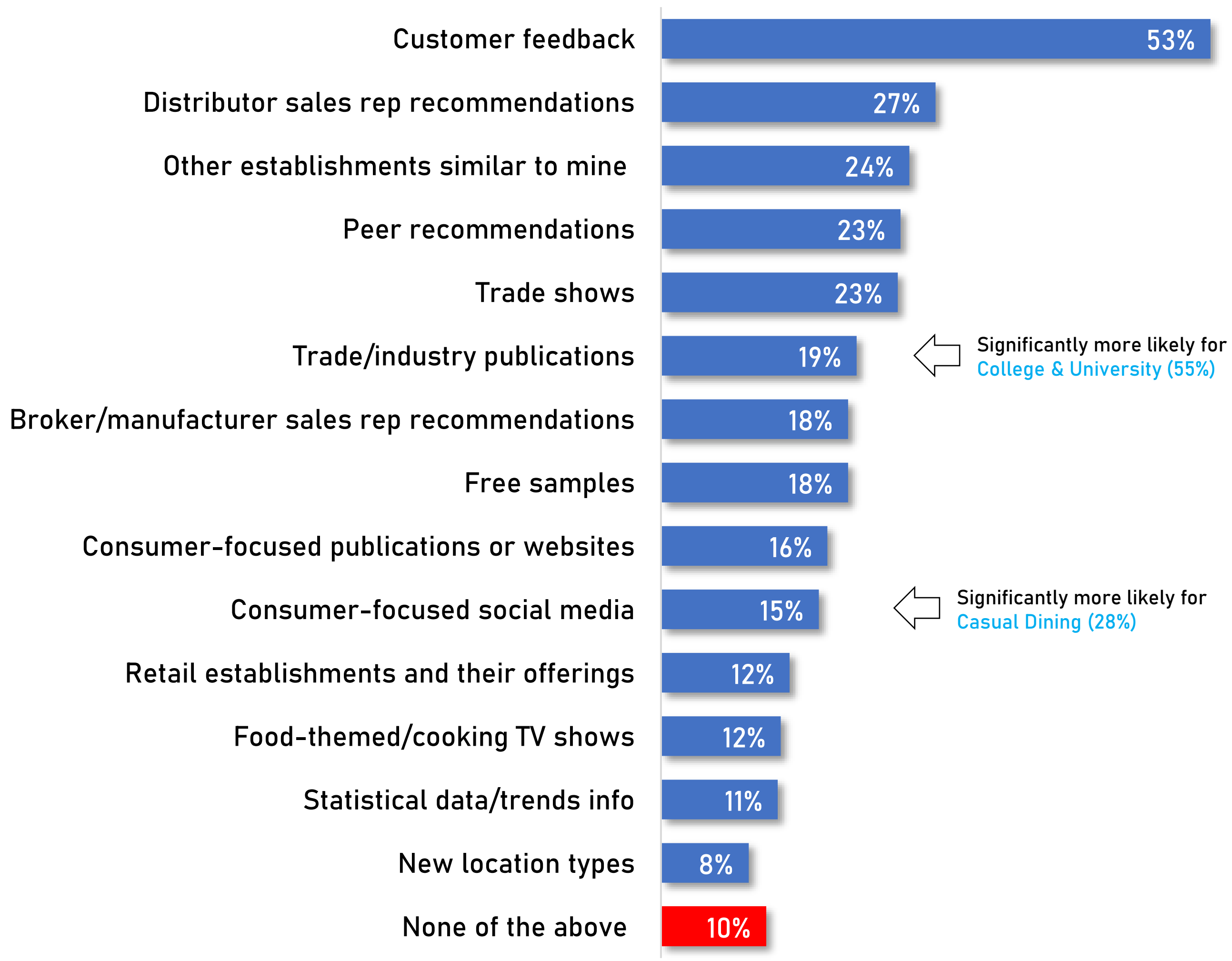
% of operators selecting as a source for inspiration



Operator B6: Which of the following do you turn to for inspiration when considering new varieties of pizza or pizza ingredients to add to your menu?

Most operators consider their patrons' feedback as a key source of inspiration for new offerings.

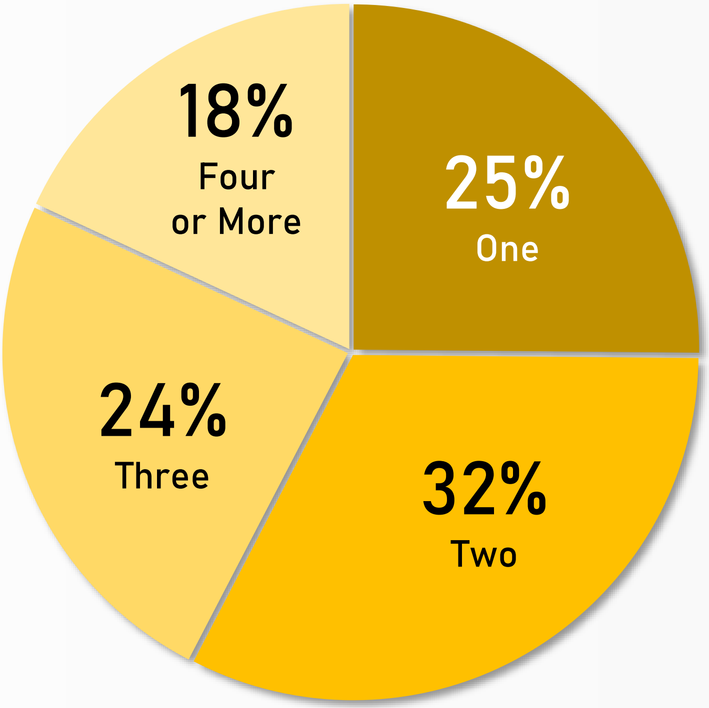
Sources like cooking TV shows, new location types (such as food trucks and pop-ups), and retail offerings are not as heavily considered.

PIZZA PURCHASING

OPERATOR PERSPECTIVES

DATASSENTIAL

Amount of Different Cheese Varieties Offered on Pizzas



Operator C9: How many types of cheese do you offer on pizza in your operation?

Three-quarters of operators offer more than one variety of cheese on their pizzas.

Most operators purchase pre-shredded cheese, especially on-site and retail operators, although more than a third of restaurant operators buy block cheese.

	TOTAL n=354	Restaurants n=193	Retail n=48	On-site n=113
Pre-shredded	81%	73%	90%	91%
Block	26%	36%	10%	16%
Other	5%	5%	8%	5%

statistically more likely | statistically less likely

Operator C10: What format(s) of cheese do you purchase for pizza in your operation?

PIZZA

MENU DEEP DIVE

DATASSENTIAL

Better-for-you pizza crusts such as gluten-free and cauliflower are growing most quickly on menus, as are unique varieties like Detroit style, grilled, and flatbread pizzas.

Pizza is a highly regional dish; local specialties are often menued more often in their respective regions of the country.

We see varieties such as pan, deep dish, stuffed, and Chicago-style skewing toward the Midwest.

The Northeast shows its strong Italian heritage with Sicilian and Neapolitan pizzas menued more often.

TOP PIZZA CRUSTS & STYLES

ranked by menu penetration

	WEST	MIDWEST	SOUTH	NORTHEAST	ALL	1-YEAR GROWTH	4-YEAR GROWTH
Gluten Free	26.7%	29.9%	24.9%	27.9%	25.8%	+7%	+46%
Thin	17.7%	27.8%	16.6%	19.7%	19.8%	-5%	-6%
Flatbread	13.6%	18.2%	19.6%	16.0%	14.0%	+10%	+29%
Sicilian	7.9%	8.5%	8.3%	18.5%	11.8%	+1%	-
Pan	6.3%	14.0%	8.5%	9.6%	9.6%	+3%	-
Thick	6.1%	7.8%	7.5%	7.6%	6.7%	-2%	-12%
New York	6.9%	4.7%	7.1%	4.8%	6.0%	-6%	-8%
Deep Dish	5.0%	10.0%	5.3%	4.8%	5.7%	-3%	+1%
Neapolitan	4.6%	2.3%	5.1%	8.7%	5.3%	-9%	+5%
Stuffed Pizza	2.1%	8.7%	2.4%	1.1%	4.7%	-5%	-16%
Hand Tossed	5.4%	7.0%	7.1%	3.4%	4.7%	+1%	+8%
Square	2.3%	3.2%	4.3%	8.0%	4.4%	+5%	+3%
Chicago	4.4%	7.8%	3.0%	2.1%	4.4%	-8%	-5%
California	6.5%	3.8%	3.8%	2.1%	3.9%	-5%	-10%
Cauliflower	4.8%	3.8%	3.6%	4.3%	3.8%	+279%	+1246%
Wood Fired	3.5%	1.7%	4.5%	3.4%	3.6%	-2%	+27%
Brick Oven	2.5%	1.7%	3.6%	3.9%	2.8%	-7%	+5%
Tomato Pie	1.3%	0.2%	0.6%	6.4%	2.3%	+4%	+6%
Grilled	0.6%	1.3%	1.4%	2.7%	1.5%	+3%	+40%
Stuffed Crust	1.9%	3.2%	1.8%	1.1%	1.2%	-17%	-6%
St Louis	0.4%	2.3%	0.4%	0.2%	1.0%	-2%	-
Detroit	1.5%	1.5%	1.2%	0.9%	1.0%	+25%	+99%

MenuTrends 2020, PENETRATION: Among restaurants serving pizza, % that offer…

PIZZA

LTO STRATEGY REVIEW

DATASSENTIAL

LSRs and casual-dining restaurants are the primary venues that introduce pizza LTOs.

Pizza is one of the less prominent categories when it comes to LTOs.

CHAIN LTO INTRODUCTIONS BY ITEM TYPE

% of total introductions, Jan 2016 – Nov 2020

	QSR	FAST CASUAL	MIDSCALE	CASUAL DINING	FINE DINING
Alcoholic Beverage	1%	0%	1%	23%	24%
Appetizer & Side	7%	5%	4%	15%	17%
Breakfast Dish	2%	4%	22%	2%	0%
Breakfast Pastry	6%	6%	2%	0%	0%
Breakfast Sandwich	3%	3%	1%	0%	0%
Burger	5%	2%	5%	5%	3%
Combo & Value Meal	8%	2%	7%	5%	11%
Condiment	0%	1%	0%	0%	0%
Dessert	17%	12%	20%	8%	8%
Kid Entree	0%	1%	2%	0%	0%
Meat Entree	2%	2%	8%	9%	4%
Mexican Dish	6%	4%	1%	2%	0%
Non-Alcoholic Beverage	20%	20%	6%	2%	0%
Pasta Dish	0%	3%	2%	5%	0%
Pizza	3%	1%	0%	2%	0%
Salad	2%	6%	4%	4%	6%
Sandwich	11%	17%	7%	5%	4%
Seafood Entree	3%	0%	5%	8%	15%
Soup	1%	4%	1%	1%	4%
Specialty Entree	2%	6%	3%	5%	2%
All Items	32%	16%	17%	34%	1%

RESPONDENT PROFILE

1,501 consumers

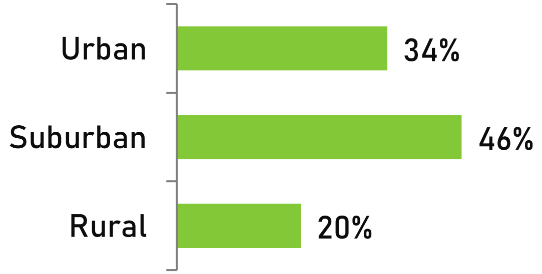
Gender

50% 50%

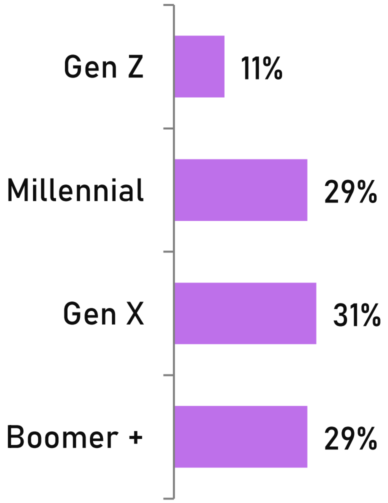
Ethnicity

White	80%
Black	10%
Hispanic	9%
Asian	5%
Other	5%

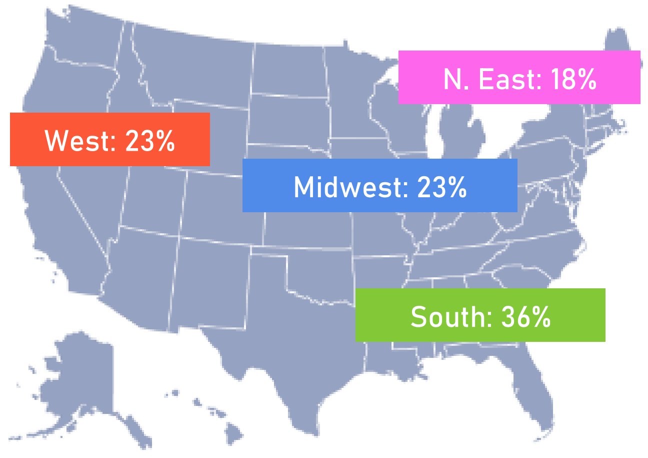
Area Type



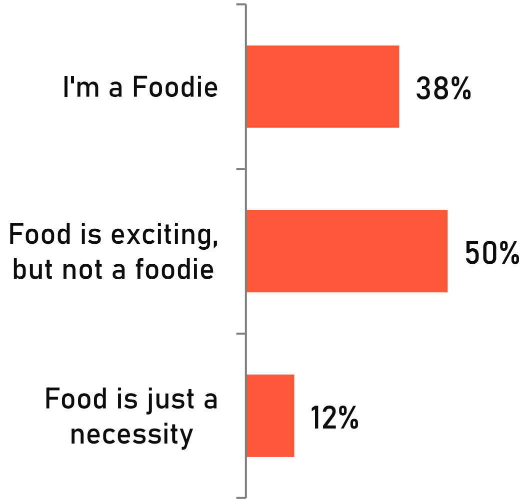
Age



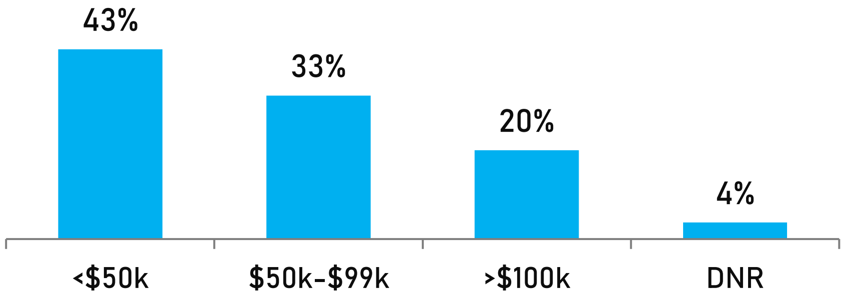
Region



Food Attitudes



Household Income



Children in Household

Children in household	33%
No children in household	67%

OPERATOR PROFILE

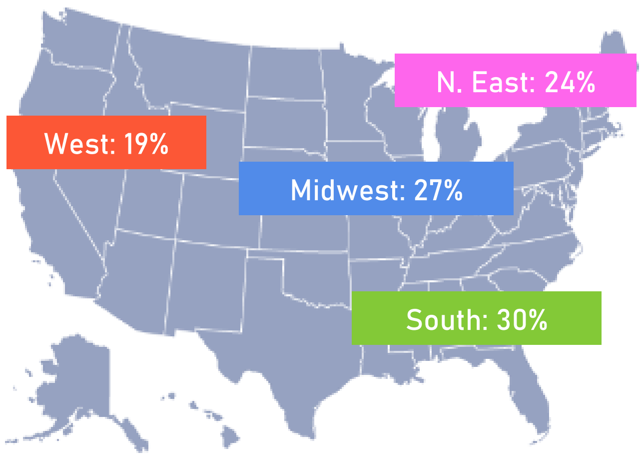
354 operators

Segment

55% Restaurant		32% On-Site		14% Retail	
QSR	14%	Corporate	6%	Supermarket	5%
Fast Casual	15%	C&U	6%	C-Store	8%
Midscale	11%	Healthcare	7%		
Casual	11%	K-12	7%		
Fine Dining	3%	Lodging	6%		

GPO Status

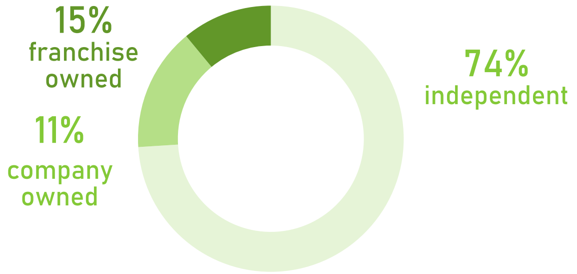
Region



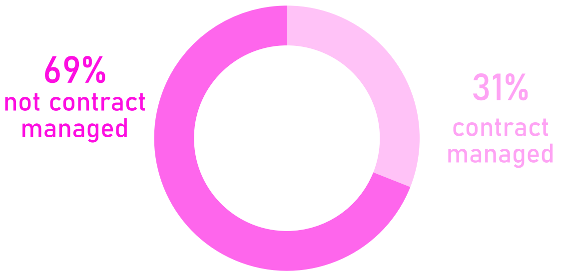
Distributor

Sysco	32%
U.S. Foods	23%
Gordon	8%
PFG	6%
Cash and Carry	4%
Other	27%

Restaurant Chain Affiliation



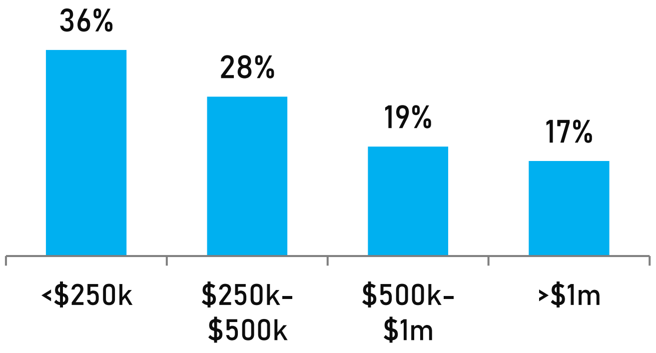
On-Site Contract MGMT



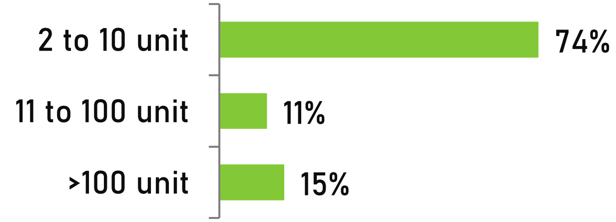
Job Title

Owner/Operator	30%
General Manager	25%
Manager	17%
F&B Director	13%
Exec. Chef/Chef	8%
Other	7%

Annual F&B Purchasing



Restaurant Chain Size



Contract MGRs Used

Sodexo	43%
Aramark	26%
Compass	17%
Other	14%

Skill Level

All/Almost All Scratch	13%
Majority Scratch	31%
Half Scratch/ Half Pre-Made	43%
All/Almost All Pre-Made	14%

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