

Dining Out Review: Volume III - Pizza Restaurants - US - June 2004 (\$3995.00)

Estimated at over \$16 billion in 2003, the pizza restaurant market grew 13% from 1998 through 2003. According to the Fall 2003 Simmons NCS, half of adults surveyed and two thirds of teens surveyed go to pizza restaurants. An American staple, the overall pizza market, including retail and restaurant sales, is a \$25 to \$35 billion industry in the U.S.

The pizza restaurant market can be split into the following distinct segments:

- fast food or quick-service (QSR)
- delivery and carryout (DELCO)
- full-service restaurants (FSR)

In spite of pizza's enormous popularity, growth for all pizza sectors has slowed to less than 3% annually. Factors contributing to the decline in sales include unfavorable demographic growth, such as the stagnant growth in number of households with children; increased competition from other QSR food; and increasing concern with diet and nutrition.

This report examines the hypothesis that the pizza market is unlikely to expand rapidly in the current demographic environment unless pizza can be positioned as a more health-oriented food. Understanding consumer attitudes and opinions regarding health and the pizza market will help companies create effective marketing strategies. For example, women in particular have shown increased concern about diet and nutrition. Because women are more likely to make decisions about family food consumption, and because families are an essential piece of the market, it is important for pizza menus to add or emphasize diet- and nutrition-friendly items.

Many chains such as Pizza Hut, Donatos and Papa Murphy's are adding diet-oriented, low-carb pizzas. Most chains offering low-carb pizzas report that sales from these pizzas are higher than expected, frequently carrying 15% or more of pizza sales. That these pizzas are proving popular is not surprising. Mintel finds that two-thirds of pizza-eating respondents have difficulty keeping their weight down when buying restaurant food, and are willing to pay more for healthier meal options.

In addition to its original consumer research, Mintel analyzes other market factors such as drivers, trends, and segmentation. A five-year market forecast helps companies prepare for the future of the pizza restaurant market.

This report examines commercial dining at pizza restaurants in the U.S., including full-service, quick-service and delivery/carryout pizza restaurants. Though the focus of this report is on large pizza chains, discussion of independents and small chains is presented where relevant.

The report excludes foodservice, institutional and frozen/RTE sales of pizza through supermarkets and other retail channels.

Other Mintel reports of relevance include:

- Ethnic Takeaway and Other Fast Food - UK - August 2002
- Coffee Shops - UK - January 2003
- Themed Restaurants - UK - March 2003
- Themed Pubs and Bars - UK - April 2003
- Eating Out Review - UK - June 2003
- Sandwiches - UK - July 2003
- Evening Eating Habits - UK - September 2003
- Lunchtime Eating Habits - UK - October 2003
- Coffeehouses - US - February 2004
- Pizza and Pasta Restaurants - UK - February 2004

- Chicken and Burger Bars - UK - March 2004
- Shelf Stable Meals - US - April 2004
- Meal Kits - US - May 2004
- Low Carb - US - May 2004
- Dining Out Review: Volume I - Quick Service Restaurants - US - May 2004
- Baby Boomers and Health - US - May 2004
- Dining Out Review: Volume IV - Fast Casual - US - May 2004