

# Pizza



## Finding new ways to deliver the goods

The pizza market is changing as consumers demand a hot and tasty meal at the click of a button. So, how are pizza players reacting?

As Freddie Mercury once sang: “I want it all, and I want it now.” That’s how Brits feel about pizza. Whether hungover on the sofa or feeding a crowd, pizza can be a quick and easy solution.

It’s no wonder everyone is clambering to get a slice of the action. But with a wealth of options available, are pizza retailers going far enough to entice patrons? And how is the market adapting as consumers demand quick service and good deals?

“The food delivery sector is growing, but pizza specialists are not able to attain their fair share of the growth,” suggests Val Kirillovs, research and insight director for Him and MCA Insight.

“They have been dominating the scene

for years, but disrupters like Just Eat, Deliveroo and Uber Eats are changing the landscape. When it comes to most used food delivery operators, we see Domino’s, Pizza Hut and Papa John’s slip in numbers year on year.”

Brand awareness is one such indicator, according to the *MCA Food Delivery Report 2018*, which shows declines for the top three pizza-focused delivery operators. Domino’s brand awareness has slipped from 88.8% to 85.9%, Pizza Hut from 80% to 72.8% and Papa John’s from 71% to 69%.

And with the average UK consumer ordering 29 takeaways a year, there’s a huge opportunity for others to steal the focus.

“Pizza is a firm favourite in the UK – more than 34 million were ordered via the

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## PIZZA SALES - SUPERMARKETS

**£1,060.1**  
million

Total category sales

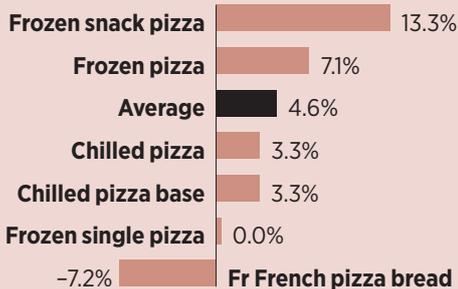
**4.6%**

Category value sales change

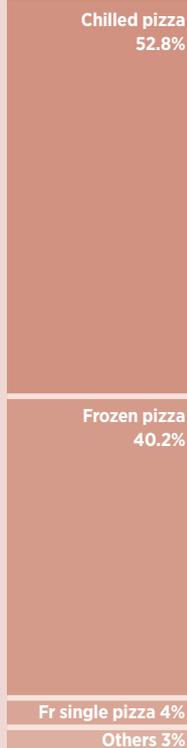
**5.5%**

Category volume sales change

### Value sales change



### Value share



Frozen pizza is driving category growth, particularly in the snack pizza category, which is up 13.3%. The growth in snack pizza can be attributed to shoppers buying the category more often, with frequency up 16%. Empty nesters and retired shoppers are the primary growth drivers for pizza overall. Average prices have decreased slightly, with chilled pizza showing a more significant fall than frozen. Over the past year, branded and own label have both grown significantly, by 5% and 4.5% respectively. However, due to its size, own-label generated twice the amount of additional sales compared to branded. Next year, main factors affecting the pizza market will include an increased focus on healthier eating, and the vegan food trend. Another factor to look out for is the rise of shoppers ordering pizzas online instead of purchasing them in the supermarket, as shoppers are increasingly willing to spend more for convenient options.

**KANTAR** Source: Kantar 52 w/e 14 July 2019



## Partnerships for success

As the adage goes, team work makes the dream work. That's why several brands have teamed up to make pizza even better.

Heinz is a notable example this year, having first teamed up with Deliveroo in March to bring back the Heinz Beanz Pizza. Discontinued in 2003, the Margherita bean pizza (along with a sausage variant and vegan option) was available in some of the UK's major cities.

The brand furthered its stock in pizza after Papa John's created what it claimed to be the first-ever pizza that used Heinz Tomato Ketchup as its base, instead of the usual Californian tomato sauce. It was topped with

mozzarella, Frankfurt sausages, onion and Heinz yellow mustard.

Papa John's took things a step further in July by creating the 'Beezza' pizza for bees. The chain teamed up with Thom Whitchurch, founder of the Tiny Cookery School, on the creation, to make the inch-wide pizza, which featured dough topped with passata and wild flowers, including forget-me-nots, before being finished off with pollen, rosemary and thyme.

But the Beezza (pictured above) wasn't just for fun – it promotes Papa John's The Bee Sting, which featured an amarillo chilli base, pepperoni, mozzarella, green chilli and wild flower honey drizzle.

Just Eat app and website last year alone," according to a Just Eat spokesperson.

"Outlets that haven't previously done delivery now see a huge opportunity for their business and an increased growth opportunity by offering their food as takeaway delivery."

Supermarkets, meanwhile, are reaping the benefits of Brits' appetite for pizza. Consumers spent an extra £46.7m on pizza in the supermarkets over the past year, representing a 4.6% increase in spend [Kantar 52 w/e 14 July 2019]. That equates to a total of £1.06bn spent on chilled and frozen pizzas alone.

Notably, supermarket pizzas are significantly cheaper than takeaway ones. The average price per pack of a frozen pizza

is just £1.47 while a chilled one is £2.17. And, not content with the category growth from their fixtures, Asda and Sainsbury's have explored home delivery options.

Sainsbury's launched a trial this summer that saw hot sourdough pizzas from five stores delivered to customers via Deliveroo (pictured p33). Almost 50 products were available as part of the trial, including margherita, meat feast and pepperoni pizzas and soft drinks.

Asda, meanwhile, teamed up with Just Eat in late 2018 for pizza delivery. Customers could order a 16-inch pizza for £6 or a meal deal that included a pizza, four sides, a bottled drink, a dessert and a dip for £15. Since trialling in Asda's Killingbeck store in Leeds, the partnership

was extended to four additional stores in January and a further 25 in June.

"Following a successful trial in 26 stores, we will roll out our pizza delivery service with Just Eat to an additional 51 stores by the end of 2019. This will increase to more than 100 stores by the end of 2020," notes James Ainger, food for now senior manager, Asda.

"The Asda Kitchen and Just Eat partnership offers customers fantastic quality with the bases of our pizzas freshly made in-store from dough balls every day, along with great value versus popular high-street pizza delivery brands and franchises."

As part of the trial, Asda also extended its hot pizza offering to its in-store diners

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## NEW PRODUCT DEVELOPMENT IN THE PIZZA MARKET



### Pizza Twist, Bridor

**Launched:** October 2019

Although not technically a pizza, Bridor describes this as a “fun take on the most loved fast food item in the world”. The 90g Pizza Twist was added to the company’s foodservice range this autumn alongside a cheese & onion variant. It contains tomatoes, Emmental cheese, mushrooms and olives twisted in pastry that is topped with brown flaxseeds.



### Pizzettas, Caffè Nero

**Launched:** September 2019

Tapping the savoury snacking trend, Caffè Nero unveiled a duo of pizzettas. The vegetarian Margherita Stonebaked Pizzetta features a stonebaked pizza base topped with cherry tomatoes, mozzarella, San Marzano tomato chutney and a basil pesto drizzle. The Salami & Mozzarella variant, meanwhile, is topped with Italian fennel salami, sweet cherry peppers and mozzarella. Both have an rsp of £4.75.



### Stonebaked Pinsa, Aldi

**Launched:** April 2019

The name pinsa comes from the Latin word ‘pinsere’, meaning ‘stretch-spread-out’ and refers to the composition of the base, which is made using an ancient recipe. The dough has higher hydration than pizza dough, according to Aldi, which results in a lighter, airier and crunchier base. It’s available in three flavours, each at £1.99: Chicken Tikka; Ham, Bacon & Mushroom; and Grilled Vegetables & Pesto.



### Bagelizza, New York Bakery Co

**Launched:** February 2019

New York Bakery Co teamed up with restaurant Mulberry Street Pizza to develop what it claimed to be the UK’s first bagel/pizza hybrid. The limited-edition 12-inch Bagelizza is inspired by the classic Reuben sandwich, which is a giant bagel topped with marinara sauce, 21-day-aged grass-fed brisket, cured pastrami, sauerkraut, shavings of Swiss cheese, mozzarella and Russian dressing.

## Alternative to gas or wood

An oven can make or break pizza, but authentic ones are pricey, which is why some are looking at alternatives.

“Arguably, nothing can rival the taste and visual spectacle of a stone hearth, wood or gas-fired oven, but we are seeing operators looking at alternative options. Some are choosing electric ovens, citing reasons including initial purchase price, ease of installation and use, reliability and energy-efficiency,” says Steve Morris, sales director at Jestic Foodservice Equipment.

The company is supplying the Sveba-Dahlen P601 High Temp to meet this need. According to Jestic, it incorporates a Neapolitan pizza stone and can achieve temperatures of up to 500°C, meaning it can bake pizzas in 60 to 120 seconds with no naked flames or fumes.



where customers can choose to eat in or take away.

This, according to Karl McKeever, managing director of retail consultancy Visual Thinking Group, has been a “runaway success” for the retailer. He attributes this to the speed and value of the offer, as well as the convenience of tying different shopping missions together.

“The pizza counter is only going to grow in importance,” explains McKeever. “It’s largely put into bigger-format supermarkets where there is space to deliver it well. But increasingly, we’ll see it combined with a bigger food-to-go offer where individual portion sizes become more important.

“Pre-packed individual slices or three

slices for a certain price point is going to be a springboard for growth,” he adds.

These individual portions play well into the trend of pizza as a snack – something Greggs is currently monopolising with its afternoon £2 pizza-plus-drink deal. This offer has proved so successful that Greggs is trialling the late opening of some of its stores with a host of post-4pm offers, which include a pizza-plus-drink one, as well as a hot menu meal deal for £4.

The trend of pizza as a snack is also playing out at home, with sales of frozen snack pizzas up 13.3% and consumers paying more for them as average prices have risen by 3.8% year on year [Kantar].

Notably, travel hubs are an area of focus for Greggs following the opening of sites in

London train stations in the past 12 months, and they’re likely to be for other businesses as well.

“There are lots of opportunities left in the market,” believes Bryan Roberts, global insight director at TCC Global. “The high street isn’t what it used to be, so travel locations have a lot going for them.”

Figures from The NPD Group reveal Brits have splashed an extra £280m on food and drink at airports, motorway services, train stations and forecourts to the year ending 30 June 2019, taking the value of the travel hub foodservice market to £2.75bn.

“I would be very surprised if there wasn’t some form of Domino’s-to-go offer in the pipeline,” McKeever says. “You can imagine it as a slimline heated cabinet

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## What will the pizza look like in 50 years?

The year is 2069, it's dinnertime and the Earthlings are getting hungry. Thankfully, for those who were around at the start of the century, pizza is still on the menu. But not as it was once known.

That's the theory from futurist Tom Cheesewright, who teamed up with The Big Bang UK Young Scientists & Engineers Fair to explore how the pizza might change over the next 50 years.

One of the main challenges faced by future generations is keeping the growing population fed and doing so in a sustainable, environmentally friendly way.

"The Big Bang Pizza of the Future has been made using technology that is ready now, but more big changes are on the way. We are just around the corner from commercially available lab-grown meats and cheeses and vertical farms supplying city supermarkets with salad leaves," says Cheesewright.

"Your future pizza might be made from ingredients that have never seen the sun or grazed in a field. And, it might be 3D-printed by a robot chef and then carefully charred around the edges by a laser grill. This is just a taster of what the future holds."

Fans of pizza will be relieved to see it still looks like a regular



cheese & tomato pizza, but the recipe may be less familiar.

There will be super sustainable tomatoes, grown all year round in LED-lit self-sufficient hydroponic farms using coconut husk 'soil' and pollinated by the farm's own bee population; cheese made using the protein of almonds; and a dough base containing ground-up insects, most likely crickets.

"For now, even replacing 20%-25% of the grain used for bread with a protein-packed alternative such as crickets could transform

our reliance on the planet's resources, such as water, energy and land," Cheesewright adds.

New flavours and spices are also likely to be present in as little as 20 years as the world becomes more connected.

According to Cheesewright, these could include Yaji spice mix from Nigeria, or sweet and hot Indonesian Rujak – a fruit and veg salad unlikely to be popular among those who have an aversion to pineapple on pizza.

"As this pizza proves, the food

we eat in the future may look similar to today, but its journey to your plate will have been transformed by breakthroughs in science, technology, engineering and math. Producers of the future are more likely to need qualifications that cover mechatronics (a combination of mechanical, electrical and computing), solar energy, energy-efficient heating, genetic modification and nutrition to find alternative proteins, than animal husbandry," he concludes.

that could slot into a grab-and-go offer in supermarkets, c-stores and forecourts – they're just asking for a solution like this."

Dr Oetker is exploring such an opportunity with c-stores through pizza-to-go cabinets under its Chicago Town brand. This enables retailers to prepare and sell 12-inch stuffed crust pizzas that can be sold in quarters, halves or whole.

"What we're probably waiting for is the discounters to make a move. Lidl, in a number of European markets, has hot pizza-to-go, hot burgers-to-go and has made more of a deliberate attempt to exploit the food-to-go market," Roberts adds.

Taking things to the next level is API Tech, creator of vending machine Smart Pizza. Aimed at pizza restaurants, but with

scope for other retailers, Smart Pizza allows consumers access to them 24/7. Pizzas go in par-baked and are finished cooking once ordered, which can be done via an app for pick-up or at the machine. Consumers can choose to buy pizzas hot or cold, allowing them to finish cooking at home.

"Pizza vending machines provide hot pizza at any time of the day and night, particularly in small towns and villages with limited or even no access to restaurants or deliveries," says Maud Gerbault, business developer at Smart Pizza.

Although niche in the UK (the only Smart Pizza machine is at Just Pizza and Pasta in Douglas, Isle of Man), 140 have been dotted across Europe and the US since 2016.

Pizza retailers, adds Gerbault, need to

embrace changes in consumption habits and technology usage to build business.

Technology will likely help fulfil consumers' desire to have it all and have it now, but Roberts urges retailers to not overlook potential customers as a result.

"Younger generations are very active in food-to-go, but pizza is ultimately a democratic food spanning all age groups and ethnicities," he says.

"People shouldn't limit themselves to targeting just one demographic."



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