



FULLY LOADED:

The State of the Pizza Nation 2023

While we've hopefully seen the worst of the pandemic, its effects continue to play out across virtually all industries. Supply chains have somewhat stabilized, however, prices in many markets have increased. What does this mean for the pizza world?

With food prices rising 10.9% over the last year,¹ pizza fans understandably want more bang for their bite, whether they're ordering from restaurants, picking up from c-stores, or heating them up at home. **Pizza is as popular² as ever, but delivering on affordability and value should be topping priority lists for restaurants and c-stores.³**

PIZZA INDUSTRY FORECAST Quick Bites

Quantity Over Quality?

Some value-minded consumers are switching to generic or less expensive brands to counteract inflation.⁴

Home "Eat" Home:

Even as public dining options reopened, preferences prevail for pickup and delivery orders compared to eating in restaurants.⁵ Supporting this trend, 1 in 4 limited-service, family dining, and fast casual operators plan to devote more resources to expanding their off-premises business.⁶

71% of adult consumers discover new products and brands in c-stores.*¹²

38% of adult consumers shop at c-stores two or more times a week.*¹³

62% of adult consumers visit c-stores at least once a week.*¹⁴

What's In Store for C-Stores

76% of consumers reported having purchased prepared food from a convenience store, with popularity at its highest among younger consumers.⁷ And of those customers, 63% give the quality of c-store cuisine a 4- or 5-star rating.⁸

Per Intouch Insight⁹, purchasing (or not) is primarily attributed to the following:

Reasons consumers **DO PURCHASE FOOD** from c-stores:

1. Can purchase gas at the same time
2. Faster than drive-thru
3. Located along my commute

Reasons consumers **DO NOT PURCHASE FOOD** from c-stores:

1. Prefer fast-food options
2. Food is too expensive
3. Prefer to remain in my vehicle

Many of the nation's leading convenience chains are looking to expand and grow in their hot food offerings.¹⁰

Loyalty programs represent another significant strategy to boost prepared food sales at c-stores.¹¹ The advantage over restaurants is their programs cover diverse ranges of products and can reward purchases on non-food items for food, and vice versa, pumping up overall brand loyalty and offering extra value amid economic uncertainty.

Restaurant Recovery Rolls On

Despite inflation and home dining trends, the restaurant industry has persevered, nearing **\$1 trillion in sales for 2022.**¹⁵ Staffing issues and more continue to hinder a full recovery.

The industry workforce grew by an estimated 400,000 jobs in 2022, for total industry employment of **14.9 million.**

7 in 10 operators say they don't have enough staff to support their current service demand.

75% of operators said they plan to devote more resources to recruiting and retaining employees.

Between 2023 and 2030, the industry is projected to add an average of 200,000 jobs each year, with total staffing levels reaching **16.5 million** by 2030.

Source: National Restaurant Association, 2022 State of the Restaurant Industry

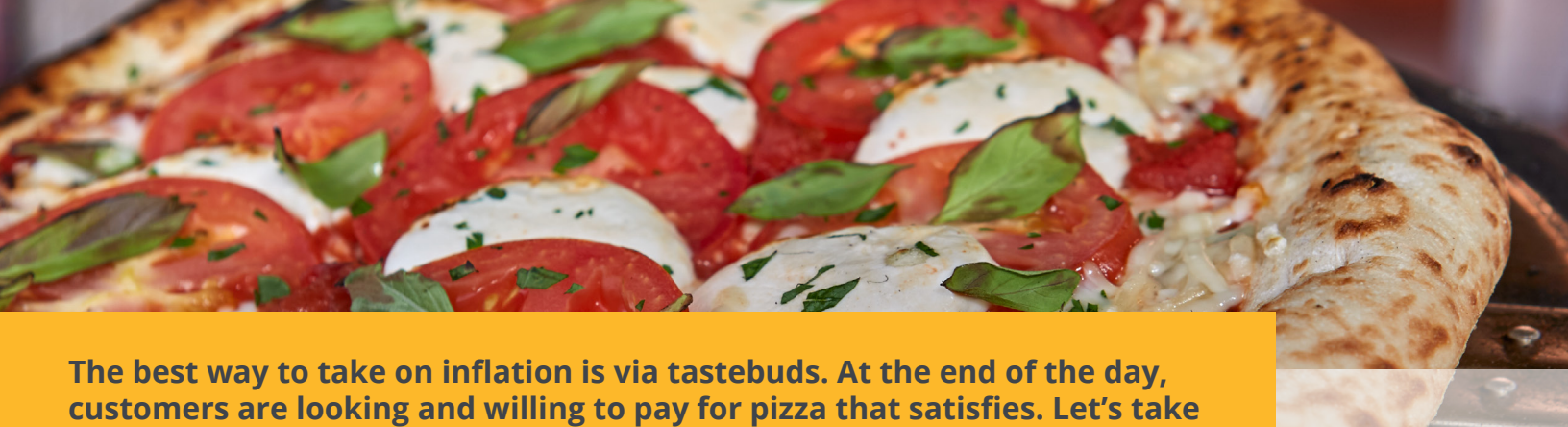
Adaptation & Innovation

Perhaps the greatest piece of industry wisdom we all learned from the pandemic is that resiliency and ingenuity are fundamental to long-term success. Fortunately, working with food all but requires the ability to improvise and adapt to the very real, rarely ideal situations we face.

RESTAURANT REALITIES

- **40% of operators** think it will be a year or more before the restaurant industry returns to "normal."
- **96% of operators** report supply chain delays or shortages in recent months.
- **7 in 10 operators** say they don't have enough staff to support their current service demand.
- More customers are picking up dinner to save on delivery fees.¹⁶

As the restaurant industry continues its rebound, willingness to adapt will be rewarded. For example, **31% of restaurants have scaled down their menus in order to slim their inventory and supply needs.**¹⁷ Another viable consideration is opting for pre-made ingredients to cut costs, save time, reduce waste, and increase consistency.



The best way to take on inflation is via tastebuds. At the end of the day, customers are looking and willing to pay for pizza that satisfies. Let's take a look at the flavors people are craving heading into 2023.

Craveable Pizza Flavors for 2023

Mood Food: With cannabis now legal or decriminalized in 19 states, marijuana-infused recipes continue to spark high interest.

Swicy Food: The Korean-inspired combination of sweet and spicy makes for a uniquely stimulating blend.

Mushrooms: Declared 2022's ingredient of the year by the New York Times¹⁸, mushrooms are a healthy, delicious, and often locally sourced ingredient.

Spicy Honey: In line with the swicy trend, spicy honey has gained popularity in the New York pizza scene and beyond.

Hold the Salt

Pass on Animal Products

The global markets for reducing both sodium and animal product intake look to continue increasing, adding insight to potential pizza trends for next year.

- The global sodium reduction ingredients market looks to achieve an estimated 12.2% growth between 2018-2023.¹⁹
- The global vegan and vegetarian meat market is estimated to hit \$6.43 billion by 2023.²⁰

Top 12 Toppings in the U.S.

1. Pepperoni
2. Mushrooms
3. Mozzarella
4. Bacon
5. Ham
6. Sausage
7. Onions
8. Olives
9. Peppers
10. Chicken
11. Pineapple
12. Beef



Pizza Preferences

To provide the most value, the pizza industry must listen to customers and meet them on their own terms.
What are pizza fans communicating to us?

Statistic	Translation
51% of adults say they aren't eating at restaurants as often as they would like, which is an increase of six percentage points from before the pandemic. ²¹	There's a good chance the restaurant experience is even more of a special occasion for customers than it used to be. By giving them a great time, you'll be all the likelier to draw their rare, yet loyal repeat business.
54% of adults say purchasing takeout or delivery food is essential to the way they live, including 72% of millennials and 66% of Gen Z adults. ²²	Adults rely on takeout and delivery food at very high levels. Are you doing everything you can to become a regular food resource for the on-the-go crowd? Some popular options include: • Offering fresh or packaged foods retail-style for sales on-site • DIY restaurant meal kits • Meal subscription programs (57% of adults say they would use this option from a favorite restaurant, with up to 80% millennials and Gen Z)
Catered pizza buffets are increasingly popular for wedding receptions. ²³	Make sure your catering abilities are well known and widely appealing. What better way to gain fond association and loyalty than providing enjoyable pizza to a cherished event?

Alive & Kickin' Pizza Crust experts are ready to help you serve up value
when your customers need it most.

Request a free consultation today!



www.AKCrust.com



info@akcrust.com



**1326 Cornell Road
Green Bay, WI 54313**



SOURCES:

- 1 U.S. Bureau of Labor Statistics, [Consumer Price Index Summary](#), October 13, 2022
- 2 Technavio, [Pizza Market by Type and Geography – Forecast and Analysis 2022-2026](#), August 2022
- 3 Food & Beverage Insider, [Looking Forward to 2023 Trends](#), October 11, 2022
- 4 New York Times, [Food Prices Soar, and So Do Companies' Profits](#), November 1, 2022
- 5 DoorDash, [2022 Online Ordering Trends](#), July 21, 2022
- 6 National Restaurant Association, [2022 State of the Restaurant Industry](#)
- 7 Intouch Insight, [Study Insights & Customer Experience Award](#), 2022
- 8 Ibid
- 9 Ibid
- 10 PYMNTS, [Convenience Stores Boost Prepared Offerings to Gain Share from Restaurants](#), September 6, 2022
- 11 Ibid
- 12 NCSolutions, [Convenient Insights: The C-Store Shopper](#), 2022
- 13 NCSolutions, [Convenient Insights: The C-Store Shopper](#), 2022
- 14 NCSolutions, [Convenient Insights: The C-Store Shopper](#), 2022
- 15 National Restaurant Association, [2022 State of the Restaurant Industry](#)
- 16 Bridge Michigan, [Inflation Hits Pizza: Customers Picking Up Dinner to Save the Delivery Fees](#), October 28, 2022
- 17 Restaurant Dive, [Report: 31% of Restaurants Have Reduced Menu Size Due to Inflation](#), October 3, 2022
- 18 New York Times, [How Will Americans Eat in 2022? The Food Forecasters Speak.](#), December 28, 2021
- 19 Industry ARC, [Sodium Reduction Ingredients Market – Forecast \(2022-2027\)](#)
- 20 Research and Markets, [Global Meat Substitute Market by Source, Product, Type, Form, Category, and Region – Forecast to 2027](#)
- 21 National Restaurant Association, [2022 State of the Restaurant Industry](#)
- 22 Ibid
- 23 Rocky Mountain Bride, [5 Wedding Trends We're Loving](#), May 13, 2020