



EVERYONE WANTS A SLICE  
OF THE FAST-CASUAL PIZZA PIE

POLLY-O MARCH WHITE PAPER





**F**AST-CASUAL RESTAURANTS are driving growth in the US restaurant industry, with category sales up 11.5% while the overall industry saw a 5% sales jump in 2015, according to research firm Technomic's annual Top 500 Chain Restaurant Report<sup>1</sup>. Fast-casual, a limited-service concept with made-to-order food and a more upscale setting than a typical quick-service environment, skyrocketed to popularity due to the explosive initial growth of category pioneer Chipotle Mexican Grill. Pizza, long an American favorite food, has only more recently entered the fast-casual fray, but what an entrance it has made: Three of the five fastest-growing chain restaurants in 2015 were fast-casual pizza brands, according to Technomic.

Pizza consumption in the US is up overall<sup>2</sup>, likely fueled by growth in the fast-casual segment. In 2015, consumers had pizza four times per month on average, according to Technomic's 2016 Pizza Consumer Trend Report. The category's emphasis on customization, freshness, high-quality ingredients and individuality have drawn the interest of the ever-important millennial consumer. Other generations are drawn to fast-casual pizza as well due to its excellent value proposition, fresh and interesting offerings and distinctive settings.

1. Technomic's Top 500 Chain Restaurant Report, [https://www.technomic.com/Pressroom/Releases/dynRelease\\_Detail.php?rUID=425](https://www.technomic.com/Pressroom/Releases/dynRelease_Detail.php?rUID=425)

2. Technomic's 2016 Pizza Consumer Trend Report, [https://www.technomic.com/Pressroom/Releases/dynRelease\\_Detail.php?rUID=422](https://www.technomic.com/Pressroom/Releases/dynRelease_Detail.php?rUID=422)



## FAST-CASUAL PIZZA OFFERS AFFORDABLE OPTIONS

Value was a key ingredient in the creation of the fast-casual pizza concept. During recessionary times starting in 2008, consumers had less to spend but were accustomed to frequently eating away from home. Fast-casual offered an experience more elevated than the typical quick-service dining outing, while maintaining a lower check price—typically \$8-\$12 per person—than table service casual dining outlets. Now, as consumers eat a third of their daily calories away from home<sup>3</sup>, pizza is primed for even more growth in the fast-casual market.

Individual made-to-order pizzas also allowed for expansion into a new pizza-eating occasion: lunch. High-quality fare in an inviting setting without the time constraints and cost of table service made the fast-casual concept perfect for the office lunch crowd, a consumer group not typically eating pizza prior to fast-casual's explosive growth. Pizza became instantly available, and customers could customize a pie without getting others' input, previously a necessity when sharing a larger-sized pizza. What's more, the lower overall check price of fast-casual pizza made the option that much more inviting at lunch.

## CUSTOMIZATION PUTS THE FOCUS ON FRESHNESS, VARIETY

Customization is one of the cornerstones of the fast-casual concept, and business is booming at fast-casual pizzerias with a build-your-own format. In its 2016 Pizza Consumer Trend Report, Technomic noted California-based Blaze Fast-Fire'd Pizza grew 205% in year-over-year sales, while MOD Pizza was up 182%. These brands, along with Pieology, made up three of the five growth leaders in the overall fast-casual market. Blaze, like fast-casual pioneer Chipotle, embraces the assembly-line approach, and offers products of “exceptional quality at lighting fast speed,” according to the company, with a variety

3. USDA Economic Research Service, <https://www.ers.usda.gov/topics/food-choices-health/food-consumption-demand/food-away-from-home.aspx>



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of toppings available and a three-minute cooking process. Similarly, Atlanta-based Uncle Maddio's, a concept with almost 50 locations in 15 states, offers nearly 50 topping options—from meatballs and prosciutto to celery and cilantro—for its customizable, made-to-order pizzas.

The assembly-line concept allows staff to engage with customers and emphasizes product freshness. Since consumers can see the toppings as they choose, this added sense of control appeals to many customers, but especially millennials. The 75.4 million Americans between the ages 18 and 34 are considered millennials<sup>4</sup>, and they eat away from home twice per week or more<sup>5</sup>, according to Technomic. But when millennials eat out, they're looking for more than just food. An experiential generation, these consumers are attracted to the idea of customization or being involved in creating their meal. They are also focused on freshness, health and wellness.

## PREMIUM INGREDIENTS, HEALTHY UPGRADES OFFER SOMETHING FOR EVERYONE

Healthy options are increasingly important across all demographics, from the rise of functional foods, or foods that potentially have a particularly positive effect on health beyond nutrition, to the growing number of Americans eating a “free-from” diet<sup>6</sup>, in which they exclude specific ingredients, and this trend has made its way to fast-casual pizza as well. The wide variety of crust, sauce and topping options have opened the pizza category to many consumers previously unwilling or unable to enjoy pizza. Gluten-free crust and vegan cheese options are available at Pie Five, Blaze Pizza, Uncle Maddio's and &pizza, which also offers a vegan beef substitute. Gluten-free crust is offered

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4. U.S. Census Data, <http://www.pewresearch.org/fact-tank/2016/04/25/millennials-overtake-baby-boomers/>

5. Technomic's Understanding the Foodservice Attitudes and Behaviors of Millennials, <http://www.foodmanufacturing.com/news/2012/11/consumer-trends-restaurants-look-meet-millennials%E2%80%99needs>

6. Packaged Facts, Food Formulation Trends: Ingredients Consumers Avoid, <https://www.packagedfacts.com/about/release.asp?id=3782>



at a slew of other brands as well, and most fast-casual pizzerias offer a wide range of fresh vegetable toppings such as artichokes, broccoli, spinach and zucchini, allowing customers to make their pizzas more healthful when their preferences or health requirements demand it.

Premium and authentic ingredients allow fast-casual pizza outlets to further differentiate themselves from more traditional brands while offering consumers dozens of interesting topping options. For instance, Aurora, Colo.-based A-Town Pizza is known for its authentic ingredients, including using 00 flour in the dough and authentic Italian cheeses, which allows the pizzeria to bring consumers genuine Neapolitan-style pizza in the Rocky Mountains.

Customers at Uncle Maddio's can add a variety of cheeses, sauces and proteins, including grilled tofu, chicken sausage and prosciutto, among other premium items. For consumers interested in functional ingredients, Pizza Studio offers a whole-grain and flax-seed crust, while in January 2017 Blaze Pizza announced a new initiative called "Keepin' It Real" to outline its efforts to remove artificial colors, flavors and preservatives and high fructose corn syrup from ingredients on its menu. Cured meats, for instance, are now nitrate-free.

Non-traditional pizza combinations and topping options are now more commonplace in the fast-casual category. A-Town Pizza offers inventive ingredient combinations, such as the #99 The Socialist, which includes high-end truffle oil as well as portobello mushrooms, while #64 Fire features the sweet and spicy combination of sriracha, soy sauce, fresh mozzarella, oven-roasted chicken, pancetta, jalapenos, pineapple and cream cheese. The #11 Wide Right takes pizza a step further and includes cream cheese, Buffalo wing sauce, fresh mozzarella, Gorgonzola cheese and oven-roasted chicken. Unique topping combinations can let customers try a new ingredient by combining it with ones they already enjoy; 62% of consumers say they are likely to try new and innovative flavors on pizza<sup>7</sup>.

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7. Technomic's 2015 Flavor Consumer Trend Report, [https://www.technomic.com/Pressroom/Releases/dynRelease\\_Detail.php?rUID=405](https://www.technomic.com/Pressroom/Releases/dynRelease_Detail.php?rUID=405)



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## BEYOND PIZZA: BRANDS EXPAND WITH BEVERAGES, SAUCES AND OTHER EXTRAS

Non-pizza differentiators can help brands stand out in the expanding fast-casual pizza category. Several fast-casual brands feature a salad pizza option, such as creating a salad on top of a crust. Pie Five offers a crust bowl, which has a pizza crust with upturned edges to hold the salad ingredients, including a classic Italian salad and a chicken Caesar offering.

At PizzaRev, customers can enjoy the restaurant's nine custom hot sauce options, as well as buy retail-size bottles to take home or give as gifts. With flavors ranging in spiciness from peach Vidalia to ghost pepper, the hot sauces appeal to a wide range of consumers. Pie Five offers three types of Breadstix, including garlic butter, cheesy and bacon cheesy. Select &pizza locations offer wine and craft beers, and all of its outlets feature housemade sodas, such as a pear and fig elixir and a ginger berry lemonade.

With pizza consumption on an upswing and consumers more interested than ever in creative and high-quality ingredients, as well as new approaches to old favorites, the market is ripe for continued growth in the fast-casual pizza category. Customization and innovation will drive sustained success and allow a beloved comfort food to appeal to those with health concerns, dietary restrictions and an overall interest in new pizza-based experiences.







### ABOUT POLLY-O:

Established in New York in 1899, Polly-O produces authentic Italian cheeses using traditional methods that have been passed on for generations. Polly-O's full line of products includes mozzarella, fresh mozzarella, ricotta and curd formats that can work for any type of operation. For more information on Polly-O, visit [polly-ofoodservice.com](http://polly-ofoodservice.com).