

The Grocer

Focus On: Pizza by Natalie Brown (natalie_brown@live.co.uk)

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The Story

Pizza continues to bring in the dough. Sales are up as consumers feast on pizza of all shapes and sizes – from chilled deep pan to frozen thin and crispy. And there is no sign of Britain’s love of pizza abating. Chefs are finding more and more ways of including the Italian delicacy in our national diet (including breakfast pizza). Yet there is one threat to this pizza party: rising prices. In the aftermath of the Brexit vote, rising supplier costs have led to average prices increasing by 3%. Shoppers are now trading down to cheaper brands. So what does this mean for the category? And could we see frozen making a comeback?

Key themes:

Frozen: Prices are up across the board, but particularly in the chilled category (the average chilled deep pan pizza is 11% more expensive than last year). Shoppers are now trading down, which could explain why frozen is now growing faster than chilled. NPD is also fuelling the rise of this previously declining sub-category. So will this continue and could frozen make a comeback?

Supermarket takeaway: On the other end of the scale, supermarkets are rolling out takeaway pizza services at a higher price point. Sainsbury’s is trialling a Zizzi counter at its Balham branch and three own-brand hot pizza counters in Redhill, Cambridge Eddington and Bradford. Can these counters convince shoppers to splurge more on pizza and add value to the supermarket category?

Unusual pizzas: Creating new occasions for pizza is another way of potentially adding value to the category. Breakfast pizza is tipped to be a trend for 2018, and one brand has already generated plenty of interest with its brunch pizza. Plus, we’re expecting to see green and purple bases using beetroot and spinach flour entering the mainstream.

Deep pan: Once the poor relation in the pizza category, deep pan is now in growth. (Chilled is up 12.2%) What is driving this apart from higher prices?

Gluten-free: One gluten free brand has entered the top 10 pizza brands – does this mean gluten-free is now mainstream?

Innovations: We identify four new products or product ranges that have ideally not appeared in The Grocer before including launch date, image and RSP.

Key questions the feature is likely to address:

- What consumer trends have impacted the category over the past year?
- How have promotional strategies (both in terms of price and marketing) evolved?
- How have individual retailers’ strategies impacted the market?
- How has merchandising changed in the market?
- What impact has own-label had on branded players?
- What’s next for the category?