

Starting off 2023 with a State of the Pizzeria Industry - a few data points below for your review, *A Deep Dive Look at Today's Pizzerias by Pizza Today.* 📢

As we look over the various numbers the survey generated, here are some interesting tidbits and short analysis.

•**Optimism exists.** 44.3 percent of our 754 survey respondents say they anticipate a sales increase in 2023. That may seem optimistic considering a potential recession could be lurking around the corner. But there is reason for optimism. Show us a major foodservice segment that fares better than pizza in lean economic times. We'll wait. This is likely why 36% said they are somewhat optimistic about their business outlook over the next 12 months, while 31% are "very" optimistic.

•**Pay is rising.** 83.2 percent of pizzeria owners increased employee wages in 2022. One-fourth of them upped pay by 7-11%. Let's face it: it needed to happen. The landscape got ultra-competitive as the labor pool tightened and employees left the industry in droves during the "Great Resignation." In order to keep good talent moving forward, operators are going to have to be leaders in their communities when it comes to pay, benefits, flexible scheduling, etc. Quality of life is at the forefront of Americans' minds post-pandemic. Work to live vs. live to work, you know.

•**The buffet is dead.** Okay, that's harsh. But, really, it's not what it once was. Maybe COVID is to blame, or maybe consumer behaviors are just changing in the first place. But here's the rub: only 7% of our respondents said they still offer a buffet at some point during the business day.

•**Fine dining pizza still exists.** But it's even more dead than the buffet. A total of 2% of pizzeria owners responding to the industry report survey say their business falls into the fine dining category. No surprise there — pizza is commoner street food. We all know that. Even those who seek to elevate it do so without wishing to completely obliterate its heritage as a food of the people.

•**Independents remain proud, strong, vibrant.** 58.1 percent of our survey responses came from single-unit pizzeria owners. 22% own 2-9 units. It's like we surveyed the Pizza Expo show floor or something. Independents remain the backbone of this industry!

•**The industry is more affluent.** 19.8 percent of respondents report doing \$2 million or more in gross sales. We can remember the day when \$1 million was rare. It was the dream benchmark. 38.3 percent now report \$1 million or more in sales. The single mighty dollar aren't what it used to be. With inflation driving up prices across the board, we'll continue to see higher ticket averages in the future. The trick for operators will be to maintain profit margins.

•**Butts in seats matter.** But not like they used to since the pandemic. In fact, 21.3 percent on survey respondents say they don't have any seating at all in their pizzerias. The most common seating capacity was 20 or fewer (21.3%). Second most was 21-50 (20.7%). It appears the days of large 100-seat showplaces are behind us. As consumer preference shifts to on-the-run options, pizzerias that offer dine-in can do so on a smaller scale moving forward, we think.

•**Merch madness!** People like to rock out your brand, assuming you have a good one. 22.8 percent of pizzeria owners say merchandise provides ancillary income to their business. It's the fourth-most popular driver of additional revenue behind catering (54.1 percent), third-party delivery (35.8 percent) and beer/liquor to-go (23.1 percent). T-shirts, hoodies, hats and more with your logo are a no-brainer, really. If you can get fans to buy the opportunity to market your brand in public for you, why wouldn't you?

•**The industry remains slow to adapt to technology.** 26.4 percent of pizzeria operators still do not offer online ordering. This, quite frankly, is alarming. Especially considering the higher check averages and fewer mistake orders that accompany online ordering.

•**Insuring employees on the rise.** 28.7% of pizzeria owners say they provide medical insurance. 19.3 percent offer dental insurance. This helps ease financial strain and stress on restaurant workers.

•**Pizza remains king.** Pizza as a percentage of food sales is 80% or higher in nearly half of pizzerias (48.6%), according to our survey data. Listen, yes, we already knew pizza was king. But it just feels nice to say it out loud, doesn't it? The most-offered menu item next to pizza? 86.8% offer salads.

•**Dough masters.** 89.5 percent of pizzerias are making dough in house. That speaks volumes to the industry's dedication to the craft, doesn't it?