Pizza - UK - August 2012

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"There does seem to be room in the market for healthier lines but manufacturers must be careful how to market the healthiness. Considering pizza's strong image as a treat, overtly marketing a new line as low fat or low-calorie may position it too far from anything resembling temptation to succeed, but referring to it as 'light' may have more resonance."

– Alex Beckett, Senior Food Analyst

In this report we answer the key questions:

- **What NPD areas can manufacturers explore to engage the growing over-65 population?**
- **How can the frozen pizza sector better compete against the chilled pizza sector?**
- **Is there room in the market for more healthy pizzas?**
- **Which area of the pizza market is most ripe for NPD?**

Total pizza sales growth slowed down to 2% in 2011 for the market to stand at £814 million, held back by flat (-0.2%) value sales in frozen pizza, on a 2.8% fall in volumes. The 4.3% value growth and 3.8% volume rise in chilled fuelled growth in the market as a whole. This was supported by strong NPD activity by many of the leading grocers and also pizza's image as a good value meal option at a time when household finances are stretched. Own-label continues to dominate the chilled segment, and outperformed the frozen segment in sales in 2011, though Dr Oetker's brands notched up growth on the back of high ongoing adspend.

This report examines the UK retail market for pizza. Mintel's definition includes frozen and chilled products sold through the grocery retail channel for consumption in the home, focusing specifically on:

- main meal and individually-sized pizzas, including delicatessen pizzas and multipacks
- pizza slices
- French bread pizza
- mini pizzas and novelty products.

It excludes pizza purchased and eaten in restaurants, and takeaway/home-delivery pizzas, however references and comparisons to these sectors will be made where relevant.

