

Pizza Industry Report

2024-2025

 Created by Forum3





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→ Executive Summary

The pizza industry is undergoing a pivotal transformation as generative AI unlocks new ways to elevate efficiency, accuracy, and guest satisfaction. The sector's unique dynamics, tight margins, high-volume orders, and a hybrid mix of dine-in, takeout, and delivery make it especially ripe for intelligent automation.

Opportunities identified in this report includes leveraging intelligently applied AI to create personalized customer experiences at the local level, and establishing the pizza brand of choice for celebratory moments across the community.

KEY OPPORTUNITIES

Personalized Customer Experiences with AI

Use AI to distill public and private data into customer insights that inform smart segmentation and personalized messaging.

Omnichannel Strategy

Create an Omnichannel Partner Program to establish a reliable presence where customers gather, both in the home and out about the town.

Product Innovation

Explore regional menu ingredients, sustainable product packaging, and EV fleet options for cost-effective wins.



Market Size

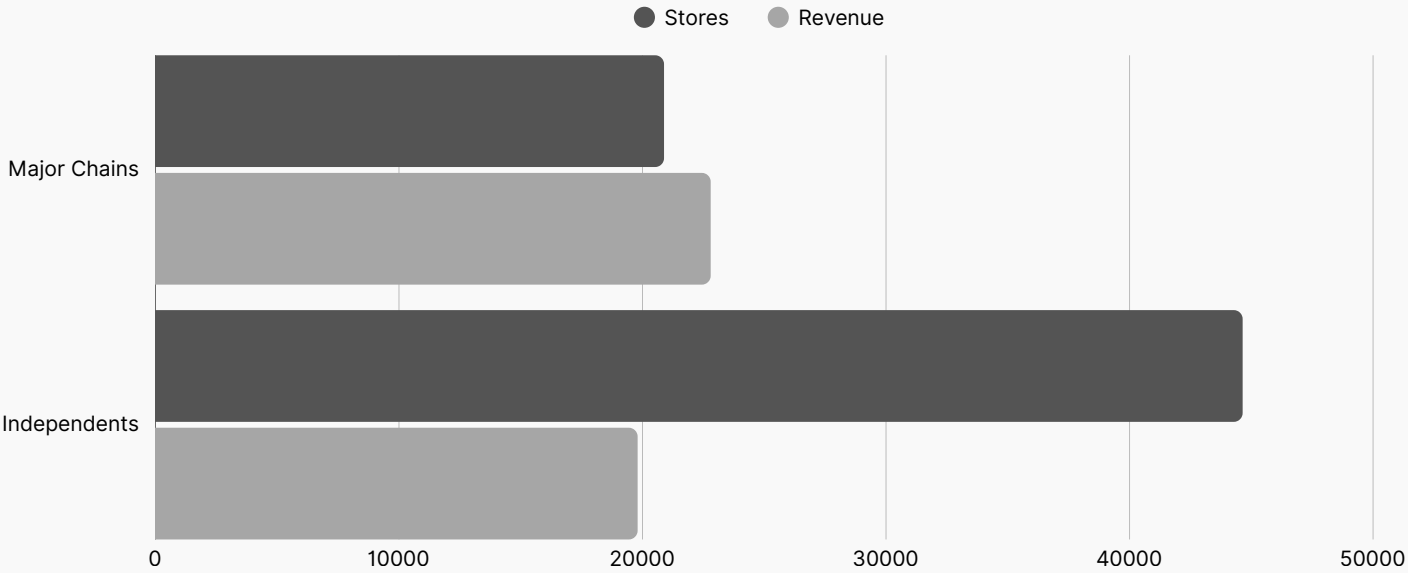
CHAIN AND INDEPENDENT PIZZERIAS

\$50b

2024 estimated global market size

1.4%

Projected annual growth



The U.S. pizza restaurant market is valued at **approximately \$50 billion**, comprising over 75,000 establishments and spanning both global chains and independently owned shops. While growth is expected to remain modest, projected in the low single digits annually, the sector continues to evolve rapidly, fueled by digital convenience, rising labor costs, and shifting customer expectations.

Major chains account for around **60% of total revenue**, while independents, despite representing over half of all U.S. pizzerias, capture only **about 40% of the market**. This imbalance reflects the operational efficiencies and brand reach of national players, yet it also highlights a massive opportunity: independent operators who adopt AI strategically can compete more effectively on speed, personalization, and value.

Delivery, carryout, and dine-in each remain vital service channels, and AI has applications across all three. From predictive demand planning in delivery zones to optimizing dine-in staffing or testing new carryout bundles, AI is becoming a critical asset not just for enterprise chains, but for any brand looking to stay competitive in a fast-changing landscape.

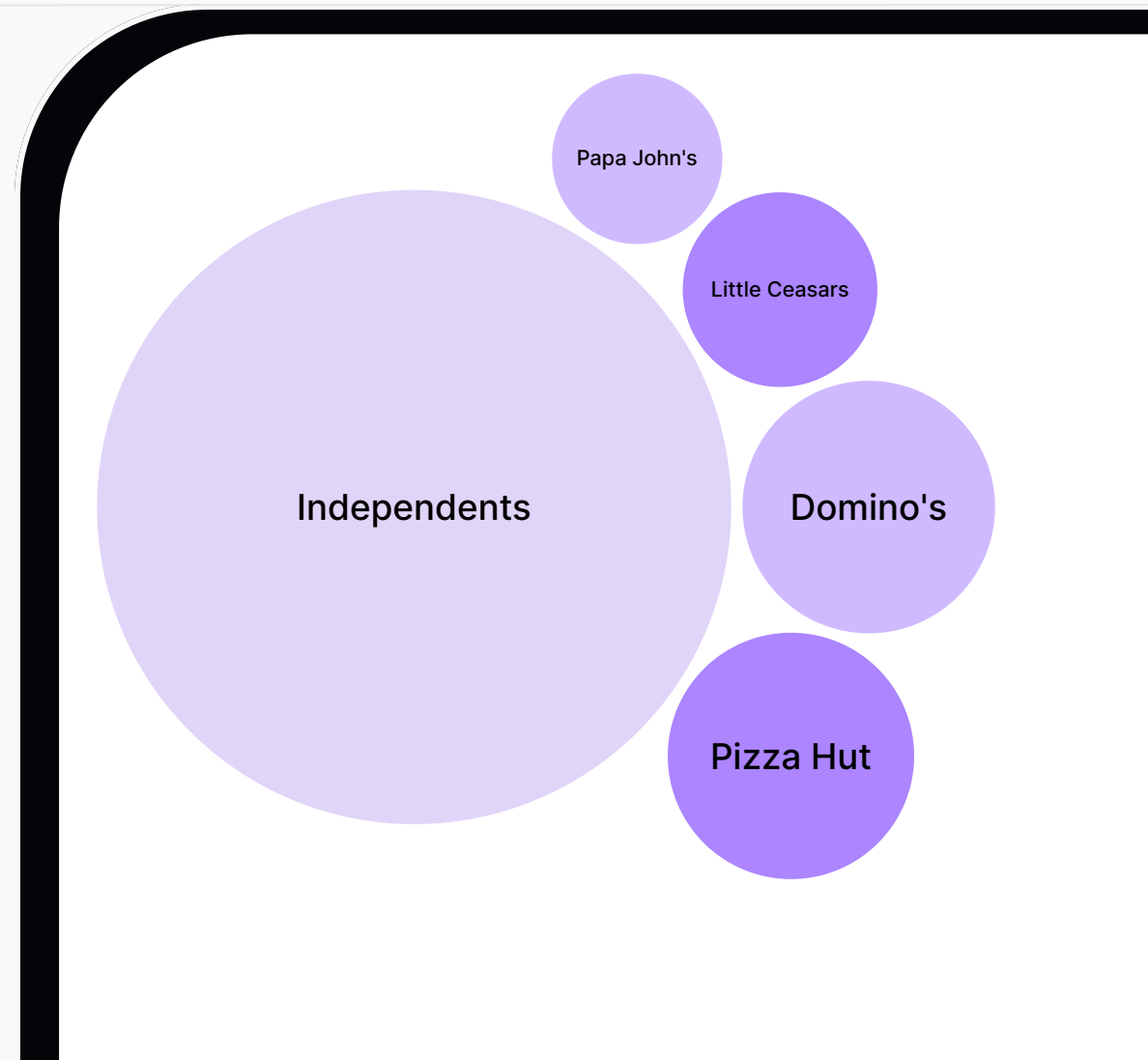
Competitive Landscape

The U.S. pizza industry is split between powerful national chains and a wide base of independent pizzerias. Chains like Domino's, Pizza Hut, Little Caesars, and Papa John's account for roughly 60% of total U.S. pizza revenue, leveraging scale, digital infrastructure, and national branding to drive growth. Independents, which make up the majority of store count, capture the remaining 40% and rely on authenticity, local loyalty, and personalized service.

While chains dominate in convenience and visibility, independents are well-positioned to capitalize on AI for flexible menu development, smart marketing, and regional guest engagement.

Generative AI offers strategic upside for both segments. Chains can deepen personalization at scale, tailoring promos and product recommendations based on location and behavior, while independents can use AI to level the playing field through smarter operations and nimble experimentation.

The gap is narrowing as delivery models converge: Domino's now partners with Uber Eats, and Little Caesars uses DoorDash, reflecting broader consumer demand for frictionless access. AI is rapidly becoming a necessity to keep pace with these evolving delivery dynamics and customer expectations.



Competitor Analysis

From advanced delivery systems to loyalty programs and kitchen innovation, leading brands are already leveraging technology to sharpen their edge. Below is a breakdown of how the top four national chains and the independent sector are deploying digital strategies and exploring generative AI.

DOMINO'S

Domino's continues to lead the U.S. pizza market with over 7,000 stores and an estimated \$9 billion in annual revenue. The brand sets the benchmark for delivery optimization and digital ordering, offering customers features like GPS tracking, voice assistant ordering, and a revamped loyalty program.

Its recent partnership with Uber Eats marked a strategic shift, broadening reach while maintaining control of last-mile logistics. Domino's also invests heavily in AI-powered store management tools, helping operators forecast demand, schedule staff, and maintain quality and timing at scale.

PIZZA HUT

Pizza Hut, with roughly 6,700 locations, remains a household name. Its pivot from dine-in to carryout and delivery-focused "Delco" stores reflects shifting consumer preferences. Though slightly trailing Domino's in tech innovation, Pizza Hut leverages nostalgia-driven branding, NFL sponsorships, and menu diversity, including pasta, wings, and Detroit-style pizza, to stay relevant.

The brand is also investing in AI through parent company Yum! Brands, applying data analytics to kitchen operations and marketing campaign performance.

LITTLE CEASARS

Little Caesars has over 4,200 stores and is known for its "Hot-N-Ready" value model. Once a holdout from delivery, it now partners with DoorDash and has introduced innovations like Pizza Portal lockers for mobile pickups. The chain's strength lies in affordability and convenience, appealing to cost-conscious families and grab-and-go customers.

Its marketing remains bold and memorable, and its tech stack, while less sophisticated than Domino's, is evolving quickly to support online and app-based ordering.



Competitor Analysis

PAPA JOHN'S

Papa John's, with 3,200 stores, has invested heavily in personalization and quality positioning. Recent collaborations with Google Cloud signal its focus on using AI to enhance operations, marketing, and customer experience. Known for menu experimentation and loyalty incentives, Papa John's is aiming to close the tech gap with its larger rivals. The brand is also experimenting with predictive analytics to optimize delivery times and targeted promotions.

Papa John's also focuses on elevating the guest experience through its Papa Rewards loyalty program and limited-time collaborations. The brand's digital investments include mobile-first design and AI-enhanced guest segmentation tools designed to personalize offers in real time across web, app, and email.

INDEPENDENT PIZZERIAS

Independent Pizzerias, making up over 44,000 stores, hold the majority in unit count yet face challenges competing with the digital infrastructure of national chains. Still, they benefit from strong community ties, hyper-local branding, and operational flexibility. Many are now embracing third-party platforms, AI-powered marketing tools, and POS-integrated delivery solutions to modernize without sacrificing authenticity.

With the right systems in place, independents can offer faster delivery estimates, run smarter promotions, and build loyalty through uniquely personalized experiences. AI also empowers them to test and iterate quickly—whether by adjusting menu items in response to local demand or using review sentiment analysis to refine service in real time.



Consumer Trends

HEALTH & DIETARY PREFERENCES

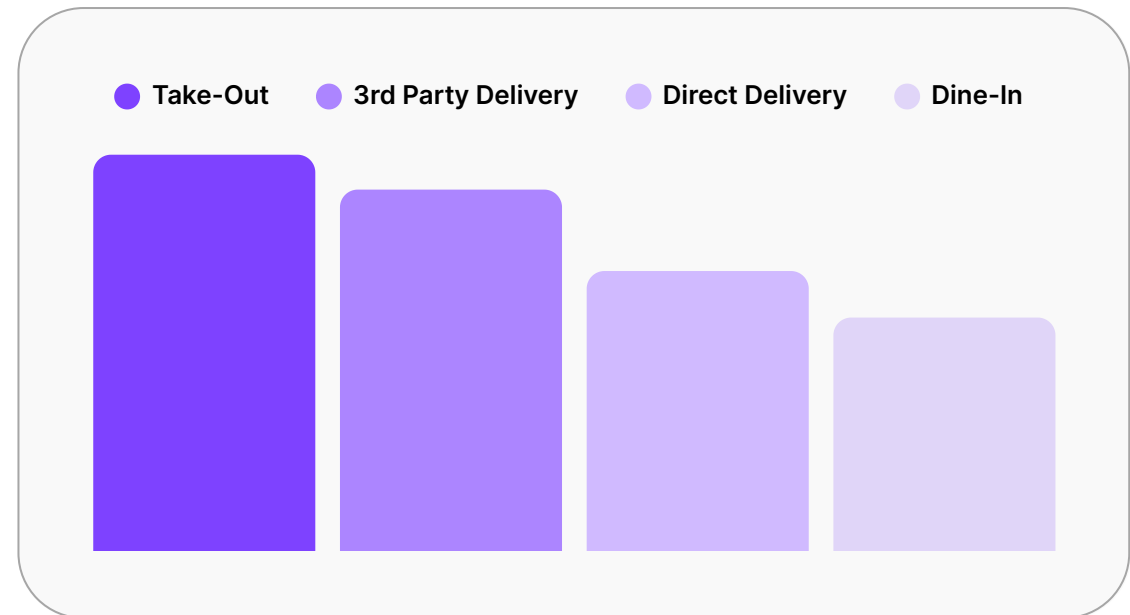
Today's consumers are more health-conscious, and expect pizza brands accommodate their dietary preferences. Surveys show that many customers are looking for healthier options, and the increased availability of GLP-1s such as Ozempic have radically changed American tastes in a relatively short amount of time.

SUSTAINABLE DINING

As eco-anxiety intensifies, diners are increasingly seeking sustainable dining options. A 2024 PwC survey found that consumers are willing to pay an average of 9.7% more for sustainably sourced goods, even amid inflation concerns. In response, restaurants are adopting practices like compostable packaging, sourcing local ingredients, and minimizing food waste to align with these values. Embracing sustainability not only meets consumer expectations but also positions establishments competitively in an eco-conscious market.

PERSISTENT OFF-PREMISE PREFERENCE

The pandemic reshaped how Americans order and consume pizza. During lockdowns, the category saw surging demand due to its affordability, comfort-food appeal, and delivery-friendly format. Even as dining rooms reopened, many of the habits formed during this period have persisted. According to Technomic, nearly 70% of pizza orders in 2024 are still off-premise, with delivery and takeout remaining dominant channels.



Emerging Technology

3RD PARTY DELIVERY PLATFORMS

Traditionally, pizza chains operated their own delivery fleets and encouraged customers to order directly. However, many consumers now turn to aggregator apps to decide what to eat, which forced pizza players to adapt. Most notably, in 2023 Domino's made a major reversal of its long-held stance by partnering with Uber Eats. Customers can now order Domino's through the Uber Eats app (and Postmates), with deliveries still handled by Domino's drivers.

Little Caesars also broke their longstanding position as a carryout chain with their DoorDash partnership in 2020.

DELIVERY LOGISTICS

Pizza chains have been experimenting with autonomous delivery vehicles and robots. Domino's, for example, partnered with Nuro to launch an autonomous delivery pilot in Houston. The explosion of e-bikes, scooters, and vehicles have also rapidly changed the cost of delivering orders and the traditional practice of reimbursing drivers for gas.

DIGITAL ORDERING & AI

Fast-food giants have piloted drive-thru ordering (to mixed reviews), and the pizza sector is following suit.

Customers can now order with Domino's AI voice assistant, "Dom," which is available to handle phone orders, using voice recognition to take down pizza orders and check order statuses.



Strategic Recommendations

To compete in an increasingly digital and personalized marketplace, pizza operators must adopt a focused, practical approach to AI. The most successful AI strategies in the pizza industry will combine experimentation with structured implementation, starting with high-impact, low-complexity areas and expanding into broader operations.

AI can identify highly targeted opportunities to reach customer segments with personalized messages at scale, using both public and private data. For example, AI can identify customers whose past orders correlate with sports events, or proactively identify important community moments such as Homecoming or graduation to create uniquely local LTOs. Pizzerias can also use AI to identify strategic locations, such as breweries that do not offer food, or AirBnB properties, to provide marketing collateral. Create an Omnichannel Partner Program to create incentives and rewards for businesses to encourage pizza delivery as a recommended food option. AI can be instrumental in product innovation from performing research on regional tastes, to identifying suppliers, calculating unit economics, and projecting supply chain impact.

AI is not just a tool for efficiency, it's a lever for loyalty, creativity, and growth.

1

Personalized Experiences with AI

- ▶ Smart customer segmentation for targeted offers
- ▶ Localized LTOs based on community events

2

Omnichannel Strategy

- ▶ Pilot a Pizza Truck across a regional event calendar
- ▶ Create a partner program with local businesses

3

Product Innovation

- ▶ Menu innovation
- ▶ Sustainable ingredients and packaging

Conclusion

As the pizza industry evolves amid rapid digital transformation, those who embrace AI will be better positioned to adapt, grow, and lead. From optimizing daily operations to delivering personalized guest experiences at scale, AI is no longer a distant innovation, it's a current competitive advantage.

Using a regional approach, pizzarias can enhance customer experience by segmenting customers and personalizing LTOs according to local events, tastes, and activities, establishing itself as the ubiquitous pizza brand to call for any gathering.

In an industry rooted in both tradition and innovation, the operators who thrive will be those who use AI to elevate what makes pizza powerful: hospitality, consistency, and connection. The opportunity isn't just to keep pace, but to lead with purpose in a rapidly evolving marketplace.



Ready to become an AI First organization?



Andy Sack

An entrepreneur with two decades at the forefront of digital innovation, driving strategy and investment across the tech and finance sectors from early-stage startups to industry leaders like Microsoft.














Adam Brotman

A renowned expert in customer loyalty and engagement with over 25 years of experience leading digital transformation for Fortune 500 brands like Starbucks and J.Crew.

[Get in touch](#)

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